

NEW VISTAS IN ADMINISTRATION

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NEW VISTAS IN ADMINISTRATION



COMMITTEE ON CASE STUDIES
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INDIAN INSTITUTE OF PUBLIC ADMINISTRATION

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Preface

Today, public administration impinges on the citizen at every point. The process of decision-making not only demands speed but enjoins on the decision-maker various compulsions making his task both complex and difficult. In these circumstances, an administrator who is at the forefront of the firing line is likely to miss the wood for the trees since he is an active participant in the drama. The scenerio is bound to overwhelm him unless sometimes he looks at the facts and processes with some detachment and conceptualises on the basis of his live experience. Very often, we have the wisdom of hind sight. We come to recognise that there are more ways than one of looking at the same situation and the characters involved therein, more answers than one to specific problems, and quite frequently the solutions of today could be problems of the morrow.

Case studies are invaluable as an aid to training in public administration. They depict 'slices and chunks of life' accurately and comprehensively. The reader gets a real feel of the actual situation and is able to appreciate the forces that affect the outcome. They form a concentrated piece of current administrative history describing how decisions are made, how they are carried out and with what consequence. They are especially useful in enabling people to conceptualise their experience and relate it to a situation which is dramatised in the case study. For administrators, in their mid-career, it is necessary to scan the environment and obtain new insight about oneself, one's work climate and develop a deep socio-economic awareness of one's environment. Largely, it is understanding oneself which enables one to understand others. Through case studies one gets the feeling of direct contact with realities, conveying substantive knowledge—a bridge between theoretical principle and vicarious experience. It stimulates the mental process and gives an insightful understanding of men and matters. It helps the reader to learn to analyse actual administrative problems, conditions him to the complexities of real life situations, gives practice in identifying gaps and arriving at decisions.

The case studies in this volume, which is incidentally the fifth in the series published by the Indian Institute of Public Administration, have been written by practising administrators based upon their own experience. We are indebted to them for finding time from their preoccupations to work on the case material. The Ford Foundation had, by their generous grants, made it possible for the Institute to start the project on case studies. We are thankful to them for their kind help and guidance. We are deeply grateful to Dr. Ram K. Vepa, Honorary Director of the project who with the support and encouragement given by Shri Govind Narain, the then Secretary, Union Ministry of Defence and Chairman of a high-powered Committee on Case Studies, was personally responsible for obtaining these cases and consolidating them. He has achieved this in spite of his exacting duties and carried this burden with utmost willingness. We are beholden to Shri K. Venkataraman who has devoted many hours, editing the material and preparing it for publication. Our publication division headed by Shri Om Anand with the support of our Registrar, Shri R.G. Mulgund, have made it possible for this volume to come out in time. The back stage proof readers, and other workers, Sarvashri K.K. Joshi, Datar Singh, and B.L. Bhatla also deserve our thanks.

R.N. HALDIPUR

Director

NEW DELHI,
OCTOBER 6, 1975

INDIAN INSTITUTE OF PUBLIC
ADMINISTRATION

Introduction

The present volume is the fifth in the series of case studies published by the Case Study Committee of the Indian Institute of Public Administration. The Committee has been publishing, periodically, cases in various areas of public administration so as to highlight the problems which arise in the course of formulation or implementation.

Public administration in recent years has taken on a number of activities which formerly used to be considered outside its purview. With the increasing responsibilities of a welfare State, public administration has to deal with a variety of matters which affect the life of the common citizens. Thus the efficiency of administration has become an even more significant factor today than in the past when it was largely concerned with the problems of collection of revenue or the maintenance of law and order. Today, no citizen whether living in the rural or urban area can ignore the State since the activities of Government impinge on his daily life in more ways than one.

In the previous volumes of the series, a variety of topics have been discussed dealing with community development, district administration, law and order, public undertakings, the problems of tribal areas, etc. The present volume provides again a mixed fare covering various sectors of administration each of which is of considerable importance.

The first case study by Shri M.M.K. Wali deals with a problem which is fairly common in the urban areas—of the existence of a large number of bogus ration cards. While most are aware of this problem, they find it difficult to check it in practice since it involves full scale mobilisation of all administrative personnel. The case study describes one such attempt made in the city of Jaipur where the entire personnel available to Government in the city were utilised for the purpose of checking at one time the validity of the ration cards. The fact that a large number of them could be eliminated is proof of the success of such an operation; but the case study also highlights the care and attention which made this possible.

The next study on the bus fare rise by Shri J.B. D'Souza describes the practical problems involved in a large transport undertaking in the metropolitan city of Bombay to raise the bus fare so as to make the operation financially viable. The study indicates clearly the doggedness and persistence with which a measure of that kind has to be pushed through against the opposition of various political parties and, of course, the general public. This is essentially a success story in face of heavy odds, but it also reveals the various political nuances which any senior administrator has to contend with before even obviously necessary measures can become acceptable.

Another case study on a somewhat similar problem is that of Shri H.M. Singh who has described the difficulty of adjusting the various routes taken over by a nationalised transport undertaking from private parties so as to operate them economically. The undertaking as a whole was making loss since the short run routes were running unprofitably while the express routes had the potentiality of making money. The study describes the reorganisation which was undertaken to club the routes so as to improve the daily coverage per bus by 30 per cent and the overall coverage for the entire fleet by as much as 25,000 kilometer per day without any addition to the number of vehicles. The study is revealing and indicates the need for large expertise in running the transport undertakings so as to optimise the profit and make the consumer happy and the operating personnel contented.

Shri C.K. Kochukoshy has described the One Lakh Housing Scheme which the Government of Kerala has attempted to undertake as a measure of help to the landless in that State. Taking off from the comparatively limited scheme of the Central Government, the Government of Kerala attempted not merely to provide land but also a house, since they felt that this would give a greater vested interest to the allottee. But such a proposal raised a number of questions as to the manner in which allotments were to be made and the process by which large numbers of houses could be built at a comparatively low cost. Although this is essentially a social welfare scheme, the project had many other implications and the case study describes the difficulties faced by those in charge of the scheme and the measure of success they were able to achieve.

The next study deals with the setting up of an iron ore board by Shri C.B. Rau whose earlier case studies on a sugar factory and tribal area development have been published in previous volumes. The need for an iron ore board was felt in the Department of Mines but in order to make the idea acceptable, the officer concerned had to convince a wide variety of personnel in various Ministries. It is indeed a measure of satisfaction that ultimately the proposal was accepted by Government which was made possible by the persuasiveness and persistence with which the proposal was pushed through by those who were sincerely convinced of its need.

The administrative problems of port labour are widely familiar to those who deal with shipping and the study by Shri H.M. Singh deals with the difficulties faced in adjusting the wage levels of two sets of labour who were being paid at different rates for identical work. Shri Singh describes a scheme which was devised for equalising the wages and coupling it with the rise in productivity. Although there was initial resistance both by management and labour the results turned out to be successful with earnings of individual workers showing an increase of as much as 200 per cent.

Shri S.M.Y. Sastry who is an experienced municipal commissioner of a major metropolitan city has highlighted in his case study the appointment of a liaison agency, the problem of employing an intermediary for processing the movement of materials. The study describes vividly the political pressures and counter pressures in the decision-making process of a major municipal body. In another study, the same author dwells on the problem of location of a cinema theatre which is a fairly frequent one in many civic organisations. The study describes clearly the embarrassing position of the chief executive of the corporation who has to balance the political pressures on the corporation with the directives of the State Government. The difficulties which arise as a result of the multiplicity of authorities in respect of sanctioning plots for cinema houses is brought out clearly in the study.

"Scorpio" has described in his study a typical law and order situation and the type of problem that arises in an explosive situation where emotions are roused. He has highlighted clearly the need for well-defined responsibilities being given to

each officer and for an adequate control of various officials by those at the top. He has also described how post-mortem examinations by commissions or committees do not always reveal the full implications of the problems faced by an official dealing with emergencies.

Shri R.C. Arora has dealt with a problem of considerable interest to all educationists, about student indiscipline and lawlessness in Magadh University. The case study describes the consequences of political leaders interfering in the normal life of students with the 'poison' of casteism being injected into student life and the reluctance of the educational authorities to call for the help of the police and magistracy in times of emergency. The study also brings out clearly the role of the teachers in promoting and fomenting caste quarrels and describes the manner in which the evil was eradicated from the Magadh University by the stern, strict and timely action of the Commissioner.

In 1964, a peculiar situation was created by an unprecedented increase in the price of groundnut oil which compelled the Government of Gujarat to meet the vociferous demand of the public who had already been hard hit by a steep increase in the price of foodgrains. Shri K. Sivaraj in his case study on the groundnut oil crisis in Gujarat deals with the steps taken by the Central and State Governments and the reaction of the trade and the public to these measures as well as the propaganda carried on in the press. It also describes the manner in which the Government of Gujarat was able to gradually tide over the situation. In this connection, the case study of Shri A.D. Moddie on "Industrial Administration" which was published in an earlier volume may be referred to as giving the point of view of one connected with the industry dealing with groundnut oil.

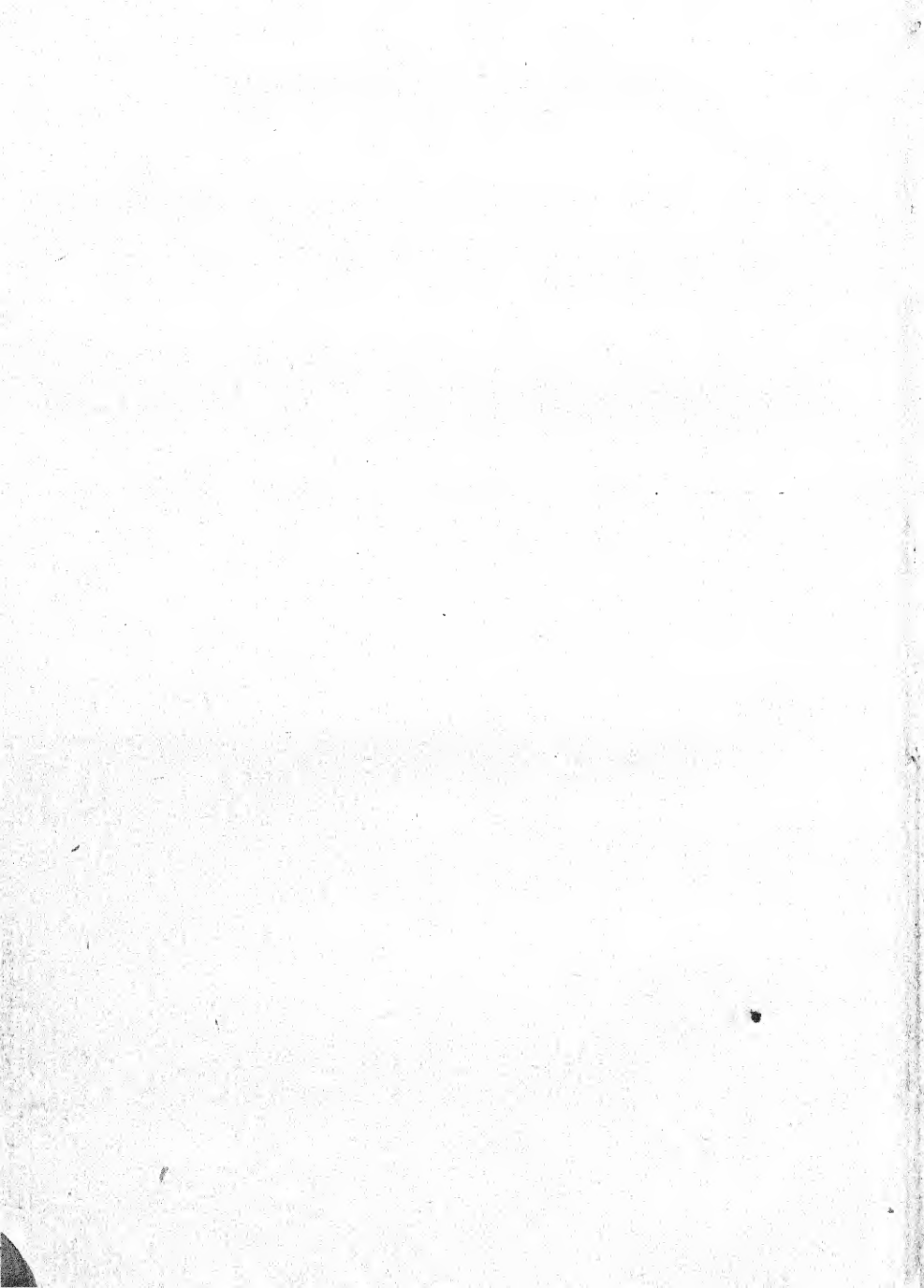
In a short case study, Shri Gopalaswamy describes the manner in which the Government of Kerala decided to introduce provident fund for all primary school teachers all over the State, whether belonging to Government or private schools. This was indeed a task of considerable magnitude and the study describes the difficulties encountered and the manner in which they were overcome. In another brief study, Dr. Vepa describes the callousness with which a civic organisation, and particularly the personnel at the lower levels, operate which makes a mockery of the entire system of local self-government. The study brings

out the need for much greater consideration being given to the basic problems of the citizens in important matters affecting their daily lives.

The case studies included in this volume provide an interesting fare for all students of public administration. It is hoped that teachers will also find it useful in the training programmes for practising administration. The Case Study Committee has pleasure in bringing out this current volume and trust it will find a wide circle of readers all over the country.

NEW DELHI,
OCTOBER 3, 1975

RAM K. VEPA
Hony. Director
CASE STUDY PROGRAMME



Contents

	PAGES
PREFACE ..	VII
INTRODUCTION ..	IX
THE CASE OF THE GHOST RATION CARDS M.M.K. WALI ..	1
THE BUS FARE RISE J.B. D'SOUZA ..	17
THE ONE LAKH HOUSING SCHEME OF KERALA : A CASE STUDY C.K. KOCHUKOSHY ..	49
THE BIRTH OF THE IRON ORE BOARD : BACKGROUND AND THE PROBLEM C.B. RAU ..	73
INCENTIVES AND PRODUCTIVITY : A CASE STUDY OF PORT LABOUR H.M. SINGH ..	89
TRANSPORT ECONOMICS : A CASE STUDY H.M. SINGH ..	97
THE APPOINTMENT OF A LIAISON AGENCY BY A PUBLIC BODY S.M.Y. SASTRY ..	124
APPROVING THE LOCATION FOR A CINEMA THEATRE S.M.Y. SASTRY ..	134
A LAW AND ORDER SITUATION "SCORPIO" ..	142

PROBLEMS OF STUDENTS' INDISCIPLINE AND LAWLESSNESS : CASE STUDY OF MAGADH UNIVERSITY (1967-72)	
R.C. ARORA	.. 154
GROUNDNUT OIL CRISIS 1963-64	
K. SIVARAJ	.. 187
PROVIDENT FUND SCHEME FOR AIDED SCHOOL TEACHERS IN KERALA	
R. GOPALASWAMY	.. 209
HARASSMENT TO A CITIZEN BY A CIVIC (?) SERVICE (?) DEPARTMENT	
RAM K. VEPA	.. 216

The Case of the Ghost Ration Cards

M. M. K. WALI

After assuming charge as Collector and District Magistrate of Jaipur (Rajasthan) in October 1967, the first matter of importance which compelled the attention of the case writer was that of civil supplies. The preceding *kharif* and *rabi* crops had been affected by drought conditions in large parts of the country leading to considerable fall in production. This had generated severe pressures on the public distribution system. In Rajasthan at that time, wheat, sugar, maida, and occasionally rice, were being supplied to consumers through the public distribution system. The District Collector was responsible for supervising the system. He issued ration cards and special permits to the consumers and also released monthly quotas of controlled commodities to fair price shops for distribution among ration card and other permit holders. The principal assistant of the Collector on the supplies side was the District Supplies Officer.

The problem was the acutest in the case of sugar. While free market was allowed to operate in the case of wheat along with the public distribution system, the supply and sale of sugar was completely controlled by the State both in the urban as well as rural areas. The consumer could not, therefore, get sugar from any other legitimate source. The householders drew their monthly sugar and other rations on the ration cards held by them. Special category of consumers like *halwais*, beverage-manufacturers, confectioners, hospitals, boarding houses, got their quotas against special permits issued by the Collector. The total quota of sugar for the district being a fixed quantity, the scale of distribution per unit depended on the number of card-holding units and other legitimate consumers. It was, however, quite apparent that the number of registered units was much higher than the actual population. In the process, therefore, of this arithmetical division to determine the scale of rations, the honest consumer suffered.

The supply situation of sugar had got further aggravated because, due to some breaches in the railway track on account of floods in the month of September, the movement of sugar from some of the sugar mills to Jaipur had been hampered.

There was much resentment among the public about the supply situation. The local press had also been quite critical about it. Soon after assuming charge, the case writer called a meeting of the District Food Advisory Committee, which comprised, besides officials, the MLAs and MPs of the district, representatives of the Panchayat Samitis, representatives of the wholesale trade and Foodgrains Associations, etc. This was quite a large and representative committee because Jaipur being the biggest district in the State both in terms of rural and urban population had a sizeable number of MLAs and MPs and other representable interests. The refrain in the meeting of the District Food Advisory Committee also was the problem of bogus ration cards and fake units, which on the one hand affected the scale of rations to which legitimate consumers would otherwise have been entitled, and on the other led to a flourishing black market. The wheat lifted against bogus units went into adulteration of open market wheat the price of which at that time was ruling high, and the sugar went straight into the black market. Rural representatives on the Committee, like Pradhans of Panchayat Samitis, were considerably agitated, and rightly so, that while the consumers in Jaipur city and other urban centres in the district did at least manage to get every month certain minimum quotas of sugar, the rural consumers were left high and dry. It was a fact that supply of sugar in rural areas was not only frequently delayed but often skipped altogether in certain months in order to meet the demand of urban areas on a priority basis.

The population of Jaipur city according to the census of 1961 was 4,03,444. Even taking double the normal annual rate of growth in population, at 5 per cent per annum, because of large emigration to the city from the outlying areas of Rajasthan, the actual population of the city should have been in the neighbourhood of 5,20,000. Population of about 50,000 had been further added due to extension of the city limits. Thus the number of ration card units should have been in the vicinity of 5,70,000. The actual number of units, however, that were drawing ration in the city was 7,03,724. These additional units were a major source of the

black market. The concern of the press and the District Food Advisory Committee was legitimate because to the extent ration was being drawn by bogus units the legitimate consumers of the city were being deprived of it. Occasional checks made by the enforcement staff in certain areas in Jaipur city had indicated that apart from ghost units entered on otherwise valid ration-cards, there were a large number of cards which were wholly bogus. In fact, these checks had revealed that in some parts of the city the latter category of cards was very sizeable.

There were no means with the District Supply Office to check whether a particular Fair Price Shop (ration shop) was indenting correctly. The District Supply Officer had willy-nilly to accept their indents. When rationing was introduced in the city in 1965, the District Supply Office did not have adequate staff to verify the correctness of each application and had, therefore, to depend very largely on the services of the fair price shops themselves. The latter in fact collected the applications and supplied information about the card-holders to the Supply Office. It was at that stage that most of the ghost units and cards got through. No reliable record could thus be built up by the Supply Office. The fair price shops, no doubt, maintained accounts and used to keep the stipulated registers, on the basis of which indents were made by them for supply every month. These were inspected periodically but if any false card or unit was entered in the shop-keeper's register, the District Supply Office could not challenge its validity by reference to any independent master register. Hence the enforcement system existed more in form than in substance.

DECISION MAKING

That the situation needed immediate rectification was obvious. Jaipur city, being the principal villain in the matter, needed to be tackled first. It was, of course, realised that the task was by no means easy. One factor which had always deterred a massive clean-up campaign being undertaken was that to comb out a big city like Jaipur would necessarily need time, consequently delaying for some time the flow of essential supplies to public. The latter implication could not be ignored because, whatever the public criticism about bogus cards might have been, the public itself

would raise an uproar if their ration supplies were in any way delayed or dislocated. A campaign undertaken sometime earlier had indeed floundered on this score.

The total number of enforcement staff with the District Supply office was hardly two dozen. The State Food Department also maintained a special squad at their headquarters (Jaipur) and their services could have been secured. But their strength was even less than the one available in Jaipur district. It was clear that with this complement of staff no effective campaign could be launched. The case-writer felt that the campaign had to be bold and massive in concept but short in duration. In his view, the task, though formidable, could be handled if the campaign was properly planned, anticipating all problems that were likely to arise and being ready to handle them.

He picked the brains of his colleagues and the enforcement staff. Various proposals were made, but none suggested taking up the city at one go. Most people felt that the best course would be to divide the city in 4-5 big zones and then take up each zone, one by one with the help of the extra staff requisitioned from elsewhere. The case-writer, however, was particular that the whole city should be taken up for verification on one day. In his view any piece-meal approach would be treated as one of "those" familiar campaigns and the culprits will adopt the same subterfuges, as in the past, to defeat it. The campaign to succeed needed not only people's cooperation and support but also an impact on their mind of its seriousness.

The case-writer argued that speed was crucial in a purely organisational campaign of this nature on account of the following reasons:

1. The tempo of work and supervision is lost in a long drawn out operation, for instance, if the work had been taken on *mohalla* or area basis spread necessarily over many weeks.

2. The normal enforcement staff of the district was totally inadequate in number and was intended primarily to make occasional checks. There was no possibility of getting any additional staff and in no case staff to the extent required could have been made available. The case writer had, therefore, to depend on his own resources, *i.e.*, tehsils and collectorate staff primarily, and staff provided by local offices on special request. The job for that reason also had to be completed quickly so as to cause minimum

dislocation in their normal work. Moreover, interest of such staff in a job of this nature, which was not quite within the pale of their duty, could be sustained only for a short period.

3. The operation had to be completed in the shortest possible time to avoid dislocation of supply to the consumers; otherwise there would be a public uproar jeopardising the success of the campaign.

4. The swifter and more massive the operation, the more the public would take serious notice of it. The idea was to make on the one hand an impact on the minds of the culprits and, on the other, to encourage the legitimate consumers to cooperate. The public had in the past seen many campaigns and had become somewhat sceptical about their effectiveness.

The case-writer got full support from his two Additional Collectors (ADMs), both of them very competent and confident young men. The decision of the campaign was thus taken, and its format and details were drawn up in consultation with the ADMs, the District Supply Officer and others.

The case-writer, thereupon, announced on 21st November, 1967, that the campaign was to start on 25th November with physical checking of the whole city being undertaken in one day (3rd December). Many, of course, were taken aback at the D-Day being fixed so close and that too taking the whole city in one day.

THE CAMPAIGN

The decision having been taken, the entire machinery was geared to working out special arrangements of the campaign. Much staff work was necessary. The case-writer was not only aiming at unearthing ghost units/cards, but also wanted that master registers for fair price shops should also be got simultaneously prepared in the process to serve as a reliable permanent record. The publicity and tempo of the campaign had also to be stepped up in a calculated manner so that it created the necessary impact on the public mind.

The first step was to withdraw all ration cards from the card-holders. The experience of past checks had been that a person not inclined to submit his card to scrutiny would put off the checker by saying that the card had been kept away somewhere by some one who had gone away. The ladies of the family would expertly

use this alibi, because principal male members of the house would naturally be away during the day-time. And the cards which were wholly bogus could never be located. If, however, the cards were withdrawn and given to the checkers, then the latter could go to the house and verify the number of units in the household either by a physical check, or by local enquiry if a particular person noted in the card was not available at the moment. Non-existent holders of bogus cards would also be discovered.

As planned a notification was issued on 25th November, 1967, in all local newspapers notifying that ration cards had to be deposited with the fair price shops by 30th November, *i.e.*, after drawing their rations for the month of November if it had not already been done by that date. The cards were required to be deposited by the holders with their own fair price shops (which were generally in their own locality) in order to obviate inconvenience to them of coming long distances to the Collectorate or Area Rationing Office. It was also announced that physical checking will be done on 3rd December.

Simultaneously from 25th November onwards the same information was conveyed and frequently repeated through the network of the Information Centre and mobile loud-speakers throughout the city and also through radio announcements.

A warning was issued in the same notification, and constantly repeated, that the cards not deposited by November would automatically become invalid. The case-writer had calculated that most of the fictitious cards kept either by the fair price shops themselves or individuals would not be turned in and would thus be permanently out of the way.

The Press had taken very enthusiastically to the campaign and was fully cooperating in highlighting the campaign. Through regular and careful briefings an impression was widely given that the culprits will be severely dealt with. It was largely through the support of the Press that the right atmosphere for the campaign got built up.

Special serially numbered receipt books were immediately got printed and were issued to the fair price shops so that they could give a receipt for the card so deposited by the card holder. It was enjoined on them to give a receipt for the card and get the signature of the card-holder in token thereof on the counterfoil of the receipt.

A special form was also devised which was given to the shop-keepers, in which they had to fill first three columns, *i.e.*, name of the card-holder, his house number and the number of units on that card. The form had to be filled in triplicate. The idea was that the checker would take one copy of this form with him for physical checking on 3rd December and verify the entries therein. He would then enter in the appropriate column the correct number of units as a result of the check. These forms when compiled together would constitute the master register of card-holders for each fair price shop in future.

The shop-keepers were to hand over all the cards received, along with the receipt books, as well as the forms in triplicate in the collectorate on 30th November. While taking over the cards the receipt books were to be checked to find out whether receipts issued were in accordance with the number of cards received. One copy of the form received from the shop-keeper was to be returned to the shop-keeper duly receipted by the designated officer and two copies were to be retained.

On 30th November when the cards started coming in from the fair price shops and kept coming till late in the night, it was found that the campaign had become 90 per cent successful even without physical verification, which was to take place on 3rd December. 19,704 cards containing 1,26,569 units were not deposited, as the casewriter had hoped that they would not be. These cards then became just scraps of paper. This happened largely due to the impression that if a card was found bogus on checking it would invite penalties. Mostly the bogus cards were kept by the fair price shops themselves and these were not turned in as they felt that they would not be able to get away with it this time. Two or three shop-keepers, however, after depositing the cards on 30th evening tried through a hireling to smuggle in some bogus cards in the collectorate, where the cards were being received. How this would have helped them one does not know, because these would have been found out on physical check, and if they had hoped to win over the checker these would have been caught out in the final stage as these were not accounted for in the forms and receipt books. However, that agent loitering in suspicious circumstances with a bulky bag and trying to contact some of the collectorate staff to smuggle those cards, was caught. On questioning he gave out the whole story. He was handed over to the police.

On 1st and 2nd December, as per schedule all the cards received from the fair price shops were arranged in bundles of about 125 each. This was the number which each checker was expected to handle for physical verification on 3rd December. The job of receiving the cards from shop-keepers and arranging them in bundles went on throughout the day and late into evenings on 1st and 2nd December. The collectorate staff, about 250 in number, was deployed on this job. By the evening of 2nd December, the bundles were ready.

Third December, which was chosen for physical verification of the whole city, was a Sunday and was specifically chosen because, being a holiday, most of the card-holders would be available at their homes and the volunteer workers would also be able to lend their services without dislocation of their normal work.

The total number of persons deployed for physical checking was 1100, out of which the collectorate itself provided about 250 persons. About 450 *patwaris* were drawn from the nearby *tehsils* of the district. The Municipal Council, Jaipur, made available about 100 persons and 300 persons from other local offices volunteered their services for the job. The services of the last named category were obtained through the good offices of the Rajasthan State Ministerial Employees' Association, whose president was on the staff of the collectorate.

The city was divided into 22 zones. Each zone was headed by a person of the rank of a Naib-Tehsildar or Inspector. These Zonal Officers were supposed to supervise the work of checking in their respective zones. In addition, 8 mobile parties headed by Magistrates went round their allotted areas to supervise the smooth flow of the operation.

Even though no law and order problem was anticipated yet intensive police patrolling was ordered in case some mischievous persons tried to manhandle any checker.

On the morning of 3rd December, one bundle of cards (about 125) was given to each of the checkers. The checkers were supposed to go to each household allotted to them and verify the genuineness of the card as well as the units entered therein. Before these persons started out on their round they were briefed about their job by the Zonal Officers. The instructions to the checkers were that they were not to be fastidious about physical count nor was physical presence of a unit necessary for being accepted as

legitimate. They could use their discretion and accept the word of the householder, unless the number of units on a card was suspiciously large, or there were other reasons for doubt, in which case an enquiry in the neighbourhood would be made. In any case the enquiries had to be polite, without giving offence.

The checking operations went on smoothly throughout the day. Most of the people were available at their homes, thanks to effective publicity build-up of the campaign. To mention a few humorous side lights, there were even some enquiries a day before and on the day of checking whether a curfew had been imposed in the city. One husband got so panicky that he wired his recently married wife (who was with her parents) to come back to Jaipur for physical checking on 3rd December. Such was apparently the terror in his mind that he did not want to run the risk of his spouse being declared bogus. The case-writer got to know of this incident because that person turned up in the collectorate the next day, much aggrieved that he had gone to all this length and yet no checker had turned up to check his card.

The checkers kept on returning to the collectorate till late in the night on 3rd December, after completing their verification, which was noted on the card itself as well as on the form that had been given to them. The next day, 4th December, was fixed for random rechecking of about 10 per cent of the cards checked on the previous day. For this, special mobile parties had already been constituted. However, on 3rd December, it became apparent that very large number of cards had not been checked because many cards under each shop belonged to persons not living in the locality of the shop and it was obviously not possible for a checker (on foot) to leave his assigned locality and go after scattered addresses in distant localities. He, therefore, left those cards unchecked. This had happened because many office/factory workers though living in different areas had had themselves attached to shops near the place of their work. For instance most of the persons working in the Rajasthan Secretariat, Accountant General's Office, S.M.S. Hospital, etc., were attached either to their own office cooperative fair price shops, or nearby shops.

About 10,000 such cards turned up. These could be checked only if these were sorted out locality-wise. This was the only phase of the campaign which was not anticipated on this scale.

However, the enthusiasm of the workers was such that they

offered to stay for the whole night if necessary to sort out these cards. About 50 hand-picked persons from the collectorate staff chosen for their intimate knowledge of the city worked the whole night of the 3rd December and sorted out all these 10,000 cards locality-wise, sustaining themselves on much *pan* and tea. After about an hour of practice they developed their technique of sorting to a degree of efficiency which a post-office sorter could envy. The case-writer stayed up with them for most of the night. This was more for the sake of their morale than for his ability to contribute anything useful to this work. As he stayed many of the other senior officers also stayed with him. The job was finished during the night and cards arranged in bundles for checking the next day.

Checkers drawn from the *patwaris* and the collectorate staff were sent out again on the morning of the 4th December to verify the genuineness of these cards. Simultaneously the mobile parties headed by Magistrates and other Gazetted Officers went out as scheduled to test-check the cards, checked on the previous day. Their concentration was particularly on some notorious localities. All this was completed by the evening of 4th December.

It had been announced that henceforth only those cards and the number of units therein, would be treated as valid which had been verified and revalidated. Special revalidation seals which contained space for entry of valid units (adults, children and total) had been got prepared in sufficient number. Fifth and 6th December had been fixed for scrutinizing the checkers' reports (written on the cards) and cancelling or revalidating the cards with or without modifications as the case may be. The total number of persons put on this job was about 500, comprising *patwaris* and some of the collectorate staff. They were divided into 22 parties under the same 22 Zonal Officers mentioned earlier. The job of these persons was to put the cancellation/revalidation seal on the card and enter therein the number of valid units in the light of the remarks of the checker and also simultaneously make an entry of the valid units in the master form.

The quality and calibre of checkers was bound to vary in such a large force. It was discovered during the revalidation and cancellation process that often the checkers had written ambiguous remarks like "*Pata Nahin Chala*" ("could not be verified")

which could either mean that the card-holder did not exist or that the checker could not locate the address of the holder. This necessitated further spot checking. All such cards were taken out and sent for spot checking again by special mobile teams because of the dispersed nature of the addresses. One cause of delay also was the frequent references made by the persons engaged in revalidation work to their leaders (Zonal Officers) and by the latter to other supervisory officers including often the case-writer in regard to the interpretation of the checkers' remarks on the card. Some of them even took malicious pleasure in bringing to the notice all along the line up to the case-writer if any unit(s) had been struck off in the card of an important personage and there were many such instances—mostly cases of daughters married off but still continuing on the card or some non-existent servants. In fact this caused some anxiety to the case-writer for fear if any of this leaked out to the press it could cause serious embarrassment to these persons. Fortunately there were no leaks. Thus the process of revalidation or cancellation which was to have been completed in two days, *i.e.*, 5th and 6th, was actually completed on the 7th. The cards were also re-sorted fair price shop-wise for delivery to them.

The staff (about 500) who worked on this particular job used to come at 9.00 a.m. and never left earlier than 3 o'clock past midnight without a break of any sort. They were seated in the long verandah around the collectorate building. They were not allowed to go out at all because working as they were without break, they would have taken an hour to come back even if they went out on the pretext of doing something for a few minutes. However, no one protested. On the contrary the work was done with great deal of gusto and good humour. They were given tea, *puris* and snacks on the job, without their having to go out.

The notification earlier issued by the case-writer had postulated distribution of revalidated cards to the fair price shops for return to cardholders on the 7th and 8th December and the public were to start getting their rations from 9th December. Some quota of wheat and sugar (50% of the normal indent) had been issued to fair price shops in the first week of December, on *ad hoc* basis so that there may be no further delay in indenting and lifting stocks and the public may get their rations as soon as the cards went back to them. In the normal course rations used to become

available around 6th-7th of the month. One day's delay in completing the process of revalidation was made up by giving back all the cards to the shopkeepers in one day, *i.e.*, on the 8th December itself and people started getting their rations from the 9th, as scheduled.

The actual number of units which were struck off as a result of physical checking and the cards not being deposited was 1,74,987 out of the total pre-campaign units of 7,03,724.

Cooperation of the press proved extremely helpful. The press took it up in the spirit of an important public cause. The case-writer had held a very largely attended press conference which included both the local press as well as the representatives of the national papers (which have a large circulation in Rajasthan) before starting the campaign, in which he had given out details of the campaign. They were impressed by the speed and magnitude of the campaign and with its detailed planning. Thereafter, each day all the local papers had something or the other to say — prominently displayed either as news items, editorial comments or Special Representative items. All the local papers had given front page banner headlines to the campaign. This helped very much to build up the tempo and impact of the campaign. The other most useful effect of this was the creation of an impression that the administration meant business. This accounted very largely for the bogus cards not turning up in the first instance, thus ensuring significant success even before the actual physical checking was taken up.

THE FINAL PHASE

The case-writer had anticipated that in spite of all the publicity made there would still be persons who either due to prolonged absence from the city or otherwise would either not know or would not be able to deposit their cards as announced by the 30th November. It was also anticipated that some mistakes might be committed by the checkers in wrongly striking off persons simply because they were temporarily absent from the city or the address not being easily found. Checkers were given definite instructions that it was not necessary that individuals noted in the card were to be physically present at the time of checking. They had been asked to use their discretion in ascertaining the veracity of the card by

questioning the available householders or by an enquiry in the neighbourhood. Nonetheless, the case-writer had anticipated that there may still be cases in which genuine cards/units might be struck off. All those who were genuine card-holders, whatever their fault in not depositing the cards as stipulated, could not be deprived. The case-writer had, therefore, worked out details of this phase, though not announced in advance for obvious reasons.

An announcement was made on the 10th December, that from 13th December onward applications in prescribed form would be received from such persons who had not deposited their cards by the due date, or in whose cards some genuine units had been cancelled. It was also announced that this time the verification would be made by the police. Sufficient staff was posted at the collectorate to receive such applications to obviate long queues. A receipt was given for each such application (printed in the application form itself with perforations for easy detachment) also indicating the date on which the person concerned had to come to collect his card after verification.

All such applications were disposed of in a few days. Physical verification was done by the normal civil supplies staff; announcement about verification by the police was merely intended to be a calculated bluff. Most of these applications were found to be genuine. Before the campaign had started the case-writer had anticipated that approximately 30,000 units may have to be thus restored. However, the actual number of units which got restored came to 34,020.

FINANCING THE CAMPAIGN

The campaign was expected to cost some money, though not very much. Nothing, of course, was to be paid to the staff controlled directly by the case-writer or to the volunteers taken from local offices for a day on 3rd December. However, expenditure had to be incurred on printing of receipt books and forms, on publicity by loud-speakers in the city and on providing food and snacks to the workers engaged in revalidation of cards in the collectorate, almost round the clock as it turned out, on 5th, 6th, and 7th December.

There was no budget head with the Collector from which expenditure of this nature could be met. There was, however,

a special civil supplies fund, known as Charity Fund, which was controlled by the Collector. The source of the Fund was the sums that were recovered from the sugar wholesalers (appointed by the Collector to procure sugar from the nominated sugar mills for supply to fair price shops) on account of the difference between the actual price paid by them including their commission and the same being rounded off to the nearest next paisa to obviate fixing the retail price in fractions of a paisa. Jaipur being the largest district in the State with largest quota of sugar had naturally managed to build up a substantial fund on account of this rounding off. The State Government had made rules for utilisation of this fund. It was used for giving grants to any institution engaged in work of public nature or for any other worthy cause. This was decided upon by a Committee headed by the Collector up to a certain specified amount, and beyond that with the approval of the State Government. In fact, a small stadium was built in the city for use of local sports clubs with the help of donations from this Fund. Many schools, libraries and institutions were given assistance for providing amenities and services of common benefit. Now, this Fund did appear to be a ready and tempting source for meeting the campaign expenditure, but the rules of the Fund did not contemplate use for such a purpose. The case-writer nonetheless felt that though the expenditure on the campaign did not come within the specified purposes, yet as the campaign pertained to improvement of civil supplies and civil supplies being the very source of this Fund, it could appropriately be made use of for financing it. All the same Government approval was necessary because they alone had the authority to make any exceptions in the rules.

The case-writer, however, felt that if he were to seek the approval of the Government before starting the campaign, the campaign might as well never start, because it may take months in to-and-fro correspondence between him and the Food Department to satisfy some accounting geniuses on the justification of estimates, perhaps to the last rupee, and even some fundamental issues may be raised about the desirability of using the money in the Charity Fund for this purpose or on the need to give food and snacks to staff who either ought to be getting food from their home if they were local staff or would be paid daily allowance if, like *patwaris*, they were drawn from outside Jaipur. This kind

of cold logic was easy to come by, but if applied to special operational situations it could jeopardise results. In any case it was impossible to estimate expenditure on an item like eatables, in advance, because it was not known how long the people may have to sit. The case-writer apprehended that in the process the entire object, scheme and urgency of the campaign might become subordinate to the mechanics of expenditure. He, therefore, decided to go ahead on his own without reference to the Government. He was confident that after the campaign was over it would be easier to persuade the authorities to sanction *ex post facto* the expenditure incurred thereon, either from this fund or from budgetary resources. This matter was, therefore, broached with the Government only after the campaign was over. Even so, after the proposal was sent by the case-writer it took more than 3 months to get the necessary sanction for the use of the Charity Fund for this purpose, with much correspondence in between on anticipated lines. Meanwhile he had to keep the hotel and printing press, etc., people at bay, who were pressing for payment of their bills.

The total expenditure on the campaign came to about Rs. 6000, a little more than half of which was on the eatables served and the remaining on other items. The travelling and daily allowance to *patwaris* drafted from the *tehsils* was paid out of the relevant budget-head.

RESULTS

As a result of the campaign 1,40,967 units were found false and were struck off, reducing the number of eligible units to 5,62,757 against the pre-campaign figure of 7,03,724. Now the picture was more in line with what the estimated population of the city at that time was. It showed that as high a percentage as 19.75 per cent of the units in the city was bogus.

The saving in concrete terms was 5,638 quintals of wheat and 1,127 quintals of sugar per month at the prevailing scales of ration, which was formerly flowing into the black market.

Good rapport was established with the press and the public, which considerably helped the case-writer later in many phases of administration of the district. The enthusiasm shown by the staff, public and the press, all of whom treated it as a public cause, was

an extremely gratifying experience for the administration and for the case-writer personally.

The data simultaneously compiled during the campaign by the checking and revalidating staff became the master record, giving up-to-date shop-wise position of house-holders with their eligible units. Such registers did not exist before and hence it could not be checked to what extent shop-keepers' own registers on the basis of which they used to indent for stocks contained false entries. Consequently whatever was indented had to be issued to them. Now, given necessary vigilance in admitting new units strict check could be exercised in issuing the correct quantity of stocks, considerably reducing the possibility of black marketing by shop-keepers.

The Bus Fare Rise

J.B. D'SOUZA

Bus fares in most metropolitan cities in the world are generally too low for bus services to break even. In Western countries, efforts to raise them are usually resisted by the public; besides, they are generally at a level where a rise will drive more commuters to use private transport, and lead to diminishing returns, and further losses. In India, passenger transport rates, both rail and road, are nowhere near the point of diminishing returns, yet the general poverty of the urban population, the prevalence of the housing shortage which makes urban dwellers live very far from their places of work, and the absence of a practical alternative (cars are too expensive)—all these produce a much higher resistance to rises in bus fares that seem inevitable in the face of rising costs.

Bombay's bus service, run by the BEST Undertaking, raised its fares in November 1966, about $3\frac{1}{2}$ months before the Indian general elections of February 1967. The increases in individual fares ranged from 10 per cent to 50 per cent, being generally higher on the shorter distances. The yearly yield anticipated from the fare rise was about Rs. 190 lakhs. The effort to raise fares had begun two years earlier, when the then General Manager of the Undertaking, made a series of different proposals, and ultimately proposed an increase slated to bring in an extra Rs. 67 lakh yearly. That effort had foundered, although the rise was much smaller, and although it was made at a far more favourable time, *vis-a-vis* the political circumstances, since the general elections were still about 18 months ahead. What were the factors that made the steeper fare rise possible, so near the elections? Were they personalities, or circumstances?

THE BACKGROUND

The BEST Undertaking is a wing of the Bombay Municipal

Corporation. It is run by a General Manager, who is an I.A.S./I.C.S. Officer deputed to the Corporation from the State Government's I.A.S. cadre, in the same way as is the Municipal Commissioner, for 3 years at a time. The General Manager is supervised by a Committee of nine (eight of whom are municipal councillors), and to a lesser extent by the Corporation itself. The BEST Committee, which is charged with the responsibility for superintendence of the Undertaking, meets once in two weeks, when it is assisted by the General Manager, and sometimes the Municipal Commissioner as well. The Commissioner has no other concern with the BEST, except in an extreme emergency.

The Undertaking was set up in 1947 by an Act of the State Legislature, to take over and replace the BEST Co. Ltd., which then ran trams and buses in the city (island) of Bombay, and distributed electricity bought from Tatas, in the same area. The Company was a prosperous and well-reputed concern. So was the Undertaking, in the first years of its existence. But soon some of the maladies of other public sector industries began to appear, and gradually one sector after another of the Undertaking's operations began to run at a loss. First, it was the trams; then the bus section, so that the entire transport portion was in a deficit; yet, the gains on electricity more than offset these losses, so that till about 1965, the Undertaking on the whole was working to a profit. But later, the bus transport losses got too large for the electricity gains, and in 1966 the Undertaking was suffering a loss of Rs. 35,000 a day. This could not go on indefinitely; in May of that year, a new General Manager took over.

It was at once obvious that something had to be done about the financial affairs of the Undertaking. Costs would have to be reduced, but economics in operation might bring about a marginal improvement. Income had to be raised. Not much could be done to raise electricity charges, on which the State Government had an unofficial restraint, because BEST was already earning a very fair return on its electric supply operation. So there had to be a rise in bus fares, as soon as possible. Changes in fares needed the approval of the BEST Committee and the Municipal Corporation.

The position became desperate in the middle of 1966. Till then a passenger tax had been levied by the State Government on rural bus services; the BEST was not affected. Some time in 1965,

the State Government raised the ceilings on bus passenger fares in the urban and rural areas (separately) of the State. In 1966, the passenger tax rate hitherto levied in the rural parts of the State was raised. Simultaneously, the urban areas, hitherto free of such taxes, were brought under the passenger tax, at a much lower rate, though. For BEST, deep in financial trouble already, it meant an extra yearly burden of nearly Rs. 60 lakhs. The impost was scheduled to take effect in mid-September 1966. To the new General Manager, preparing his budget in August for the next fiscal year, and clutching at straws in the effort to balance the budget, this seemed an excellent peg on which to hang a fare-rise effort. Here was a chance for the Municipal Corporation to lay the blame for the fare rise on the State Government's taxation policy. The new tax could easily be shown to be iniquitous, because BEST vehicles were already heavily taxed, and the roads they ran on were entirely maintained by the Corporation. But this did not turn out to be as powerful a motivation as the General Manager expected.

Several forces exerted pressures of varying intensity on the course of events. Let us try to identify them. In the first place, there was the hierarchy above the General Manager, *i.e.*, the BEST Committee, the Corporation and the State Government. Of these, the latter had at least officially made its position known, by issuing a rule enabling the fare-rise.¹ The Committee and the Corporation were conglomerations of heterogeneous political elements, each differently oriented; few of these were seriously disturbed by the impossible predicament of the municipal transport service. There were 130 councillors, plus a Mayor. Seventy-one of these belonged to the Congress Party, led by T (Leader of the House). The political complexion of the Corporation was :

Congress	71	Muslim League	3
P.S.P.	6	Hindu Mahasabha	1
S.S.P.	3	Jan Sangh	4
Republicans	5	Independents	12
Communists	17	Miscellaneous	9

¹ The State Government had powers, under the Motor Vehicles Act, to fix ceilings on bus-fares charged by transport agencies; these could be different for different areas of the State. The State Government had already issued a notification enhancing the existing ceilings.

Thus the Congress had an unquestionable majority in the Corporation.

Eight of the Councillors sat on the BEST Committee (Congress 5, P.S.P. 1, Communist 1, Republican 1). The ninth member of the Committee was a local industrialist. The Chairman was a Congressman, a nonentity in the party and the Corporation, but an aspirant for Mayoralty in the following year.

In the State Government, the Minister concerned, the Minister for Urban Development was mildly concerned about the financial morass in which the Undertaking found itself. But there was little he was inclined to do about it; in fact, at the outset of the new General Manager's drive for higher fares, he made it clear to him that there could be no question of a fare rise till after the general elections. This, however, was less an indication of desire than an assessment of political probability. The ethics of fighting an election on a pretence that less-than-economical fares would continue, when it was pretty well known to those in power that fares would have to rise after the elections, disturbed the Minister as little as it did those who were more directly-concerned, politically. His own constituency was far away from the city of Bombay, and to say that his position with the local politicians of all colours was not very strong is an understatement. There was a good deal of mild antipathy towards him. So his remark revealed rather an indifference than any marked hostility to the effort to raise fares at that time.

The second major force involved was the City Congress Committee. In the Congress organisation, Bombay is unique. The country is divided into a number of "Pradeshes", corresponding to the States of the Union. Like all other States, Maharashtra has its Pradesh Congress Committee, but Bombay, the very capital of Maharashtra, is an enclave with its own Pradesh Congress Committee. This peculiar arrangement, threatened on several occasions in the past with extinction through efforts towards uniformity, is really an expression of the personality of Q, whose domination of city politics for the last 20 years has been outstanding and unrivalled. The BPCC is, and has for long been, a mouth-piece of Q, and the BPCC has in turn controlled municipal affairs in Bombay, so long as the Congress has been in power, to an astonishing degree. In fact, at times Municipal decisions have been just rubber stamps for decisions made a day, or sometimes

an hour, earlier at Congress House. Even minor issues like personnel appointments in the municipal administration or BEST have been debated and settled (or unsettled) at Congress House. The BPCC office bearers, and the Chairmen of Committees in the Corporation, indeed the great majority of Congress Municipal Councillors, have really been creatures of Q, to some extent automatons who carried into effect the flats he issued, many of them busying themselves in other respects with petty patronage that might bring them votes once in five years and a dubious, if sometimes illicit, income in between elections.

So it was fortunate that shortly after he took over, the new General Manager had an opportunity to call on Q. This call was not specifically made to broach the bus-fare rise; the General Manager had not, till then, planned his campaign. But during that interview he learnt that Q was not averse to a fare rise; the actual timing of the rise was not discussed.

Between the Maharashtra and Bombay PCC, there was seldom love lost. The State PCC regarded the City Committee as an anachronism, to be liquidated as soon as possible. Q stood in the way. So gradually over the years an increasingly bitter rivalry grew between the two organisations; the MPCC grew interested in denigrating Q, at least surreptitiously. If Q were due to contest the general elections (as indeed he was), it would be politic to permit the bus-fare rise, which might hurt him in the elections.

What the MPCC thought, the State Government would accept, in all probability. So the Chief Minister readily agreed, when the new General Manager mentioned the projected fare rise to him in August 1966. In any case, the rise in fares could not hurt the politicians in the State Government, most of whom had no concern with, or reliance on, the city constituencies.

The Bombay PCC was a collection of disparate elements lacking cohesion, and kept together simply by the personality of Q. Unlike the other PCCs, it was, and generally is, much closer to its clientele, operating as it does virtually at the grass roots. Because of this perhaps, and because its constituencies are many-sided in the mixed metropolis that is Bombay (there is, in fact, if not in form or theory, representation for commercial, labour and other miscellaneous interests that do not necessarily find expression in other PCCs in the land; there is also a predominance of Gujarati elements in the PCC of this capital of Maharashtra), the Bombay

PCC seldom has a policy in normal times. In fact, if not in expression, it might well be suspected of being more right than the rest of the Congress. In crises, of course, a coherent policy does frequently emerge.

So it was not surprising that the BPCC's position on the fare rise was not very definite. BEST's financial plight had been considered now and then, and there had even been agreement in November 1965 that fares should rise, but this was not taken seriously enough to be steered through the Corporation resolutely. There was a vague awareness that something would have to be done eventually, but for the present the Corporation and the Undertaking could somehow muddle along, till after the election. The only time the President of the BPCC was asked about this by the new General Manager, he readily assented to the fare-rise, but this was really during a preamble to discussions of other matters that were for the moment of greater urgency. The BPCC's view, then, was that BEST's problems had best be shoved beneath the carpet till the elections.

Similarly, incoherent was the Municipal Congress Party, much more directly responsible for the well being of the city's transport system, and led by T, a Gujarati. Like its parent body, the BPCC, the Municipal Congress Party was heterogeneous, and lacked cohesion. Apart from the diverse elements it contained, there were in it, as in the BPCC, certain political inconsistencies that detracted from coherence or even cohesion. One of these was the rise to prominence of some relatively new entrants in the Congress, politicians who had left the P.S.P. in 1964, and who now occupied the top positions in the Congress. Such was the Leader of the Municipal Congress Party. Some of the important municipal committees too were headed by such newcomers. The President of the BPCC had himself joined the Congress Party as late as 1951. The Vice President of the BPCC had also "arrived" in a similar way from Muslim League origins.

The Congress rank and file in the Municipal Corporation, who were generally old-timers, regarded these new-comers as usurpers; to welcome them into the Congress fold, the larger loaves of office had been shared among these upstarts, and the Old Guard had to submit to guidance and even orders from them. The Old Guard seethed and raved, but in back rooms and among themselves. External unity was preserved, with the general

elections in the offing, but resentment was widespread.

This was to be the key to the fare-rise problem that faced the new General Manager, though he did not get to know of it, or of its possibilities, till the battle had been joined and the struggle for the rise was well on its way.

The Municipal Congress Party had a large majority in the House, and, given a measure of consensus in its ranks, could unquestionably push any measure through. Thanks, however, to the approach of the general elections,² slated for February 1967, and the possibility of a municipal election soon thereafter, thanks to the Municipal Congress Party's uncertain appreciation of the position of Q on this issue, thanks largely to its own incoherence and its ambivalent and wavering leadership, the Municipal Congress Party was inclined to shrink from an obviously unpopular decision, necessary though it be, without an assurance of tolerance, if not support, from the opposition ranks.

Shaken and weakened by defections to the Congress, divided into several separate groups of varied political colour, the opposition was united only by its hostility to the Congress. It had no initiative; its position on an issue could crystallise only after the ruling party had declared its own position. While the less obtuse and more influential members of the opposition parties appreciated BEST's difficulties, and in private even conceded that there was no alternative to a fare-rise, they would never do so in public; for the record they made the Congress party responsible for the ills of BEST, and insisted that no fare-rise was necessary, only an overhaul of management and direction. The leftist opposition was, of course, the more vehement in asserting this doctrine, emphasising the already heavy burdens on the citizen, and the total unacceptability of any increase therein. As we shall see the new General Manager opened his campaign for the fare-rise with a call on one of the leading members of the Praja Socialist Party, a person held in esteem in all sections of the House, and one whose understanding of the problem was more enlightened than that of almost any other city father. This was in August 1966.

² The significance to municipal decisions of the general elections to the legislatures may be better appreciated when it is remembered that many leading municipal councillors, including the leader of the Opposition, ran as candidates for election to the legislature. So did Q.

THE LONG STRUGGLE

It was in July 1964 that the previous General Manager had proposed a new fare structure to the BEST Committee. He reported that the bus section's deficit would be about Rs. 100 lakhs for 1964-65 and Rs. 125 lakhs for 1965-66. His new fares would yield an amount of Rs. 70 lakhs as additional revenue. He suggested "rationalisation" of the fare structure: a single, one rate fare, irrespective of the distance of travel, and rearrangement of bus services on a medium-distance pattern. The operational area would be divided into two zones — one comprising the island of Bombay and the other the two extended suburbs; most of the bus services would ply in either of the zones but there would be a few medium-distance inter-area (inter-zonal) services; the fares proposed were 10 paise for a distance up to 1.5 Km. and 15 paise for a distance beyond 1.5 Km.

The proposal was not an original one. It was one of several proposals unsuccessfully submitted to the Committee in the past by a former General Manager. It sought to curtail the long routes because they tended to be unpunctual; so long-distance passengers would have to change buses to reach their destinations. And short-distance passengers would have to pay more.

The Committee promptly shelved this proposal, without much discussion.

Submitting his budget for 1965-66 in October 1964, the General Manager reiterated the need to offset the bus section's heavy deficit of Rs. 108 lakhs by a fare hike; this had no effect on the Committee. The municipal elections were then scheduled for March 1965.

Again in November 1964, the General Manager suggested a minor revision of the fare structure, dropping out 35 paise and 45 paise fares on the ground that the large number of denominations had greatly increased administrative expenses and hampered rapid issue of tickets by conductors. This proposal received treatment similar to that given to its predecessor; when it came up before the Committee on the 27th November, it was indefinitely postponed. In March 1965, it was filed.

In January 1965, the General Manager reported the working results for the half year April to September 1964 and the likely deficit in the Undertaking's accounts at the end of 1964-65. He drew the Committee's attention to Section 134 of the B.M.C. Act,

which *requires* the Committee and the Corporation to adjust the year's income to the expenditure. He, therefore, urged the Committee to adopt the fare change he had proposed in July 1964. The Committee filed this report as well.

In February 1965, the General Manager sent up another fare revision scheme. This was expected to produce an additional revenue of Rs. 90 lakhs (Rs. 20 lakhs more than the original proposal). Again he drew the Committee's attention to the Undertaking's precarious financial position and to the monthly loss of Rs. 9 lakhs incurred by the bus section; he said that unless remedial measures were taken quickly the city's transport system would be in jeopardy.

The Committee postponed a decision on them indefinitely. In September 1965, the General Manager informed the Committee that the tax relief it had sought from the Union Government had not been agreed to. He urged the Committee to consider his proposals for revision of fares. The Committee referred this letter to a Sub-Committee for consideration and report, and the General Manager then addressed the Committee with a revision proposal. Almost simultaneously the General Manager wrote to the (main) Committee on the 28th September 1965, proposing a similar revision of fares.

In his letter of the 28th September 1965, the General Manager reported that his earlier (February) proposal infringed Government's statutory directions, since the fares he had proposed exceeded the maximum fares under the Motor Vehicles Act. He did not think Government would permit this. So he suggested a fare structure within the limits laid down in the Government direction, and estimated to bring in an additional income of Rs. 67 lakhs, mostly from middle-distance and long-distance travellers.

The Committee postponed consideration of this proposal to a date to be fixed by the Chairman—the standard treatment for propositions that municipal committees and even the Corporation want to shelve. Apparently, the Committee then did not want to raise the fares for the long-distance travellers—and certainly not by 60 per cent to 70 per cent as they would have been for those who then paid a fare of 25 paise or more.

Twice in the following month (October 1965), the General Manager reported the Undertaking's precarious cash position

and the expected deficit in the accounts. He urged immediate decision on his proposal for revision of bus fares, drawing attention once again to Section 134 of the Bombay Municipal Corporation Act, and the need to adjust the year's income to expenditure. The Committee recorded those letters.

In November 1965, the General Manager sent up yet another fare revision scheme. His earlier proposals had contemplated yields of Rs. 90 lakhs and Rs. 67 lakhs respectively—too little to plug the bus section's huge deficit of Rs. 185 lakhs expected for 1966-67 (and the consequential net deficit of Rs. 88 lakhs for the whole Undertaking). The new scheme was drastic : the initial fare would be 15 paise for 5 Km.; all other fares would be raised to 3 paise per Km., that is, up to the maximum limit prescribed in the Government directions of the 16th April 1963. This revised proposal was expected to yield Rs. 155 lakhs more per year, but would need relaxation of the Government restrictions on the initial stage.

In the middle of November, the fare revision at last received the blessing of Congress House, and, a couple of days later, of the Municipal Congress Party. So on the 16th, the Committee approved a revision, but it adopted the Rs. 67 lakhs September proposal, which it sent to the Corporation for further approval. The three opposition members of the Committee voted against the proposal, and vowed to fight it to the end.

Later that month, in adopting the Undertaking's budget for 1966-67, the Committee raised the General Manager's estimate of income from bus fares on the basis of the revision of fares that it had approved, although the revision had not been passed by the Corporation, and did not seem likely to. The Committee was resentful of the reduction of the fleet and the consequent withdrawal of some services that the General Manager had shown in his budget, as well as of the various experiments that he had tried and planned to try; most of which had resulted or would result in curtailment of services. So, during the budget discussion, the Committee directed the General Manager to order about 175 new buses, despite his reluctance to do so because of financial difficulties. In the Committee's scale of priorities, restoration and improvement of the bus services must precede the revision of fares.

By this time the relations between the Committee and the

General Manager had greatly deteriorated. There had been a controversy over the appointment to an important post in the Undertaking. They thought the General Manager had manoeuvred to have a particular person appointed. His withdrawal of a number of buses from service, and abolition of certain services, on the ground that they were uneconomic, without consulting the Committee, had been irritating. Most offensive, they thought, was his refusal to permit councillors to travel in buses in excess of their licensed carrying capacity, despite the Committee's directive. The General Manager's stand was based on valid grounds, and secured corroboration from the State Secretariat. Nevertheless, some 31 councillors requisitioned a special meeting to discuss immediate steps for the general Manager's removal. This meeting was held on the 29th October 1965. One of the members of the Committee moved a proposition expressing the Corporation's grave concern over the deteriorating condition of the Undertaking's transport system, resulting in hardship to the travelling public and loss of revenue to the Undertaking, mainly because of the "immature and haphazard steps taken by the General Manager," saying that the Corporation thought that the then General Manager was incompetent to manage the affairs of the Undertaking, and requesting the Mayor to represent to the State Government to remove him from office.

Discussion on this proposal was inconclusive.

The Committee's resolution of November 18, 1965, approving a revision of bus fares, came before a special (urgent) meeting of the Corporation, on December 23. When the Chairman of the BEST Committee had moved a proposition approving the revision of bus fares, members of the opposition raised a series of points of order which took the entire time of the meeting, which was then adjourned on a condolence resolution over the death of a former councillor.

On January 4, 1966, the General Manager again drew the Committee's attention to the Undertaking's precarious position. Its liquid funds had dwindled from Rs. 167 lakhs on April 1, 1965 to Rs. 45 lakhs on January 1, 1966;³ at the end of January it would not have enough funds to pay the suppliers' bills and even staff salaries and wages. The General Manager also referred to his

³ The Undertaking's revenue budget exceeds Rs. 20 crores.

proposal for a revision of bus fares that was awaiting the Corporation sanction; he said that in the absence of additional revenue, he might have to cut down uneconomic routes or resort to retrenchment, as other economy measures would be of little use. He also drew the Committee's attention to the State Government's supplementary Budget and said that the passenger tax alone would throw an additional burden of about Rs. 4 lakhs monthly on the Undertaking. The Committee filed this letter as well.

The Corporation was to resume further consideration of the proposition for revision of fares at an adjourned meeting on January 10. But before it could do so, one of the opposition councillors moved for adjournment of the meeting "to protest against the high-handed behaviour of the General Manager" and "to focus the attention of the House to the mismanagement in the Undertaking". Discussion on this adjournment motion and another series of points of order occupied the time of the House; after it was put to the vote, and lost, the meeting was adjourned owing to the death of Bimal Roy.⁴

The third Corporation meeting for this subject, on February 3, proceeded and ended similarly, the adjournment being to mourn the death of Jamsaheb of Nawanganar.

On February 10, two more adjournment motions used up the time available.

The pattern was repeated at the meeting on February 14, 17, and 21 and March 14 and 17, with no progress whatever in reaching a decision on the fare revision proposal. (Meanwhile, on February 27, PSP leaders had organised a "Janta Curfew" directed against the BEST fare rise. They claimed that it was successful). After that there were no further meetings of the Corporation to deal with this scheme till A was transferred away, on May 7, 1966, and B had replaced him. Meanwhile A had continued his series of reports to the BEST Committee on the Undertaking's worsening finances, which were now reaching desperate straits. The Committee did little or nothing in pursuance of his warnings.

The Corporation's proceedings reveal the implacable antipathy of the opposition councillors towards A, and the relative indifference of Congress councillors. The speeches are replete with

⁴ A famous film director.

personal attacks on the General Manager's competence and demands for his removal. Such marked hostility is unusual, and in searching for reasons for it one cannot altogether ignore the part played by the then Municipal Commissioner, who was himself quite hostile to the General Manager. The Municipal Commissioner is of the same rank as the General Manager, but is in much closer touch with councillors because he sits at the City Hall (the General Manager does not), and because his functions impinge more directly on their interests than do the General Manager's. So he is far better able to influence and channel their attitudes. Particularly so in denigrating another official, which councillors were very prone to do. For the BEST's health, the hostility between the Commissioner and the General Manager was most unfortunate.

THE SECOND EFFORT

A new chapter in the chronology of the bus fares starts about 3 months after the new General Manager, B took over in May 1966. In the first 3 months of his tenure, he threw himself into the details of operational performance, striving at the same time to better the Press and public relations of the Undertaking, which had deteriorated steeply during his predecessor's last months. One of the burning issues that had spoilt his predecessor's relations with councillors was the question of their travel on city buses free, and in excess of the licensed capacity. This issue had not been settled, and could again erupt. B took pains to play it down, at the same time suggesting and working for a solution with the State Government,⁵ that would enhance the permitted capacity to allow travel by councillors. This effort was known to the Committee and the councillors.

During these months, he sounded a few of the important personalities connected with city politics, on both sides of the House and outside it. For instance, certain city M.L.As., one of whom was thought to be influential in BPCC circles, and another, a socialist, who had earlier been in the Corporation and

⁵ The State Government was formally concerned with this and other regulatory measures pertaining to road transport through its Statutory Road Transport Authority.

wrote a regular column on the Corporation in an important evening paper, were consulted. The General Manager also discussed the fare rise question* with the former leader of the opposition in the Corporation as well as the current leader of the Congress Party in the Corporation, although he had not yet worked out a definite scheme or proposal. Of course, the former General Manager's proposed fare-rise was still pending before the Corporation. While opposition leaders were fairly convinced that a fare-rise was necessary, they uniformly declined to support any such move in public. Congress circles were divided; opinion was unanimous that a fare-rise was necessary, but few thought it would be possible before the elections.

When the new General Manager took over charge in May 1966, the Undertaking's financial condition was very critical. There was no money to pay certain bills amounting to Rs. 80 lakhs for goods and services received earlier. These payments were being postponed, although there were no prospects of improvement of the cash balances. On the Transport side, it was incurring a loss of Rs. 20 lakhs every month, less than half of which was being subsidised by the profit on Electricity; so the net deficit was expected to be about Rs. 150 lakhs yearly. On top of this, there was to be an additional yearly burden of Rs. 55 lakhs, because of the threatened application of the passenger tax to the Undertaking with effect from a date to be notified by the State Government.

To tide over his financial difficulties, the General Manager, with the (new)⁶ Municipal Commissioner's help, secured a loan from the Corporation of a crore of rupees, promising that he would come back with his recommendations for a more permanent solution as soon as he had studied the situation carefully. This loan came in June 1966, and was at once absorbed in the settlement of outstanding bills.

It was not till exactly 3 months after taking over that he took this problem up for study. After looking at the several proposals that his predecessor had submitted to the Corporation, he hit

⁶ A new Municipal Commissioner was in position about 2 months prior to the arrival of the new General Manager; the earlier Municipal Commissioner's transfer was a routine transfer after he had completed his normal term.

upon an idea that seemed possible of acceptance. It was just an addition of 5 paise to all ordinary bus fares. This, he calculated, would produce a revenue of nearly Rs. 172 lakhs a year.⁷ This additional fare would particularly hit the short distance travellers, for some of whom the fare would be as much as 50 per cent higher than before. An exception was made for the very short distance traveller, because the new Government rule raising the ceiling of bus fares had provided that for a distance of 2 kilometres, no more than 10 paise could be charged. To transgress this restriction would mean adding a hurdle to the formidable array of obstacles that already beset the General Manager.

The campaign then opened. It had not been planned, but the first person approached with the new proposal was one of the well respected members of a Socialist Party in the Corporation, on whom the General Manager called one Saturday afternoon. The proposition was explained to him in detail, and his reaction was immediately friendly and helpful. Yet, he could not commit himself to support the idea, promising to speak to his leader.

The suggestion was next placed before the Mayor at an informal dinner party. The Mayor expressed his liking for the scheme and promised all support. In fact, after his meeting with the Mayor, the General Manager, who was relatively unacquainted with the power structure in the Corporation, thought that his battle was substantially won, assuming wrongly that the Mayor could persuade the Congress members of the Corporation to see the proposal through. From then on, an intensive campaign for the fare-rise commenced. After several abortive attempts to meet the leader of the opposition, the General Manager finally cornered him after a function at the City Hall, and travelled with him to his home thereafter, for the purpose of explaining his proposition. He too liked the scheme, but the opposition reply was fairly uniform that the Congress should push the scheme through with its majority; opposition leaders could not really be expected to support. And yet his contacts with Opposition leaders left the General Manager with the distinct impression that their resistance to the fare-rise would not be as concerted or persistent as it earlier had been. On its side, Congress members said they would see the scheme through

⁷ This excludes an extra revenue of Rs. 18 lakhs from a rise in fares on "limited" and "express" routes, which was also part of the proposal.

even before the elections, *if the opposition could be persuaded to go along with the proposal*. In fact, unknown to the General Manager, a meeting at Congress House on August 4, had agreed with the fare rise, but the timing had not been settled, and subsequent events suggest that a tacit acceptance by the opposition was to be a prerequisite.

On August 22, the General Manager met the President of the BPCC in connection with the arrangements for the "Bombay Bandh", an agitation to be staged on August 25, to protest against rising prices. This was to be a general strike for one day, and the Congress was keen on a display of "business as usual". The General Manager went to the meeting, wrongly thinking that it had been called to discuss the fare-rise proposal, but in the course of the talks, which related to important matters of the moment with which the President was then preoccupied he agreed that there was no alternative to a rise of bus fares immediately. Encouraged by this, the General Manager sent out his scheme to the BEST Committee in the middle of September. On the 16th of that month, the Committee postponed consideration of the scheme to the next meeting, as the Congress Party had not made up its mind whether to support the idea or not. Thereafter, the General Manager got the Chairman to contact certain Congress leaders in the Corporation, who came to a meeting in his office in the third week of September. After a little discussion, the leaders agreed that the scheme should be accepted, but they still seemed to lack clearance from a higher political level. Thereafter, on September 23, the BEST Committee by a 4-3 vote approved the proposal, which then needed only the Corporation sanction before it could be put into force.

On the prodding of the General Manager, the Leader of the Municipal Congress party then got the Mayor to hold meetings on September 21 and 27 and October 1, of political leaders of all parties in the Corporation to discuss this proposition. The General Manager attended these meetings, and presented a number of facts about the working of the BEST and the utter impossibility of meeting expenses at the present level of income. The leader of the Congress, supporting the General Manager's proposal, mentioned that there could, if necessary, be an inquiry by an independent person of eminence into the affairs of the BEST in support of the rise. He had earlier mooted this idea when the BEST sought a loan from

the Corporation in June 1966. The General Manager's suggestion was that, while there was no objection to such an inquiry, it would necessarily take time; meanwhile the fare-rise should be allowed to go into effect, as the Undertaking could not possibly survive at its present income level. The opposition leaders objected to this haste, and the meetings were inconclusive.

While all this was going on, the General Manager endeavoured to set up his campaign for the fare-rise; he contacted M, an old school friend of his, who happened to be one of the Congress "Old Guard" in the Corporation. The General Manager explained to him the indecisive handling of the scheme by the Leader of the Party, and his (Leader's) efforts to bring the opposition into line, efforts that were obviously futile, although the Leader could not see that. M expressed approval of the new scheme, and assured the General Manager that he would see it through. In this, he enlisted the assistance of K, another member of the Old Guard, and one who had, in fact, been grooming himself for the position of Leader of the House, before it was given to T. The General Manager explained to these councillors the fast approaching bankruptcy of the BEST because of the serious loss it was suffering daily; he also explained the fact that the Corporation might lose a good opportunity to pass the balance for a fare-rise on to the State Government, because of the latter's imposition of the passenger tax from September 15 (the passenger tax would add an annual burden of about Rs. 60 lakhs to the expenses of the Undertaking). The two disgruntled councillors agreed that it was futile to waste time in an effort to mellow the opposition, in which the Leader of the Party was now engaged. They recalled an earlier decision of the Congress Party in the Municipality (November 1965), which had endorsed the fare-rise then proposed, and which could be used to override the Leader's view. They saw in this an opportunity to denigrate their Leader by having him over-ruled, or at least brought to order, and to damage him politically thereby. So they eagerly "adopted" the fare-rise scheme. The General Manager was, of course, largely sceptical of their assurances, as he did not feel confident of M's abilities; he had known M for long: M was, in the General Manager's opinion, one who spoke too much and did too little. The estimate was to prove wrong in this case.

It was on Thursday, October 20, that the Corporation took

up the fare question for discussion. The proposition was moved by K. M. made a long speech in support of the fare-rise, out of material largely supplied to him by the General Manager. Next, a prominent opposition leader(E), who was also a BEST Committee member, moved that the Undertaking's affairs be enquired into, and that the fares be frozen till then. The Mayor ruled this amendment out of order as being unconnected with the main proposition before the House. There followed a prolonged filibuster, in which opposition members raised one point of order after another, or made several long speeches, until the meeting adjourned that evening. The subject was taken up again on the following day because the councillors were looking forward to a long recess for Diwali, and the Mayor was keen on completing the debate on the fare-rise before the recess. Most of the time was again lost in tactics similar to those used on the 20th. But towards the end of the day's proceedings, the list of speakers having almost been exhausted, the Leader of the Opposition rose to register his disapproval of the proposal.

Finally, it was the turn of T, the Congress Party Leader. At this stage, it had come to be assumed that immediately after the Leader's speech, the Corporation would approve the fare revision. In fact, the General Manager, who was present in the House throughout the two sittings, was assured by Opposition leaders as well as Congressmen that the case was as good as through. But T sprang a surprise. He moved an amendment: The Corporation should ask the State Government to appoint an inquiry commission to investigate the Undertaking's affairs; meanwhile the new fares should come into effect.

Perhaps the leader of the Municipal Congress party thought this would win the opposition over. As a leader of the Congress, he thought it unwise for the party to go it alone, as it would recoil during the forthcoming elections; the opposition would surely capitalise on the fact that the Congress party had raised the fares while they had opposed it. It is also possible that he wanted to soften the opposition of a few among his own party who did not like the idea of raising fares, or who, like those of the opposition, thought that the necessity to raise fares had arisen because the Undertaking had not been managed efficiently.

Immediately after T moved his amendment, a storm burst. There was a spate of points of order raised by opposition members,

who drew a comparison to the amendment earlier moved by E, but ruled out by the Mayor as not germane to the original proposition.

The proceedings grew excited and confused, and the Mayor deferred his ruling to a subsequent meeting. It was then past 6 p.m. and the Mayor adjourned the meeting to Monday, October 24.

Prospects of a definite decision had clearly receded. Opposition as well as Congress councillors were furious. They claimed that T's amendment was a stunt, a gimmick aimed at strengthening his own image before the public at the expense of his colleagues and political opponents. There was otherwise no sense in bringing in this amendment by surprise, even after the opposition had tacitly agreed to oppose the revision only in a nominal sense. Some of the councillors were dismayed over the delay in recessing for the Diwali vacation. The Mayor himself did not intend to wait for Monday before leaving for his holiday. On the whole, a good deal of doubt developed as to whether the revision scheme would be adopted after all, or would suffer the fate of its predecessors.

The plotters met again. There followed a meeting of the Municipal Congress Party, where the Leader (T) was severely chastened for action contrary to the party mandate. The loudest critic was M, but K, the more astute politician of the two, had worked up quite a few others as well. Simultaneously the General Manager got a visiting Central Government Minister, C, under whom he had once worked, to persuade T not to press his amendment when the Corporation reconvened.

When the Corporation met again on October 24, the Mayor was away. The pro-ten Chairman read out the ruling the Mayor had recorded before leaving the city. The Mayor had finally held T's amendment in order. But almost immediately an identical point of order was raised, and the Chair ruled out the amendment. After a few more speeches, the Corporation quickly passed the revision, the voting being 48-29.

AN UNFORESEEN SETBACK

Reactions to the Corporation decision were quite mild. Apart from critical editorials in a number of daily newspapers, and a threat of a "satyagraha" by the Swatantra Party, not very much

was done or written against the change. On the very day on which the Corporation approved the revision, "BEST crew beat up passenger", according to a newspaper headline⁸, but fortunately this was not used to attack the fare-rise. The General Manager had put the case for the rise before the public in articles, features and interviews in the Press,⁹ the latter part of the campaign. To prevent the Swatantra satyagraha, the General Manager called on a senior leader of the party, who also happened to be a retired I.C.S. officer, and explained the case for the fare-rise to him. The response was immediate; the General Manager thought it spoke well of the leader's continued integrity despite the political advantage to be gained by an agitation against an unpopular measure in a pre-election period. The agitation was called off.

The General Manager then fixed November 2 as the day for the introduction of the new fares. The interval was necessary because new fare tables had to be prepared and mimeographed for distribution to the bus conductors. (The former General Manager had printed several thousand copies of tables corresponding to the scheme he had suggested; these copies had been printed in anticipation of their adoption, were still unused).

On November 1, when virtually everything was set for the change over on the following morning, one of the Courts issued an interim injunction against the change. A prominent member of the Swatantra Party, who was to fight the Parliamentary election in a city constituency, had taken the case to the Court what the General Manager thought was an evident bid for popularity.

Lawyers were hastily briefed, and on November 7, the Court threw out the case on a technical plea, and withdrew the injunction. This happened at 2 p.m. About an hour later the new fares were put into effect. Commuters had to pay more to return from work than they had paid getting there in the morning. At 5 that evening an appeal was lodged in the High Court against the lower Court's decision. The appeal was admitted, but no fresh injunction was issued. Some weeks later the appeal was dismissed, as the Swatantra leader was satisfied with the decision the Corporation had by then made, to ask the State Government to order an inquiry into BEST affairs. He had lost the Court case, but had registered

⁸ See, *Free Press Bulletin*, 26.10.1966.

⁹ See, Appendix C.

his protest in full public view, just 3 months before the general elections. However he lost the election too.

THE CASE-WRITER'S COMMENTS

What were the factors that made a major change possible in the latter part of 1966, 3 months before the general elections, when the possibility of municipal elections shortly thereafter also existed? What were the circumstances that made the year 1966 different from its predecessors in this respect? It is perhaps useful to try and list some of these factors and circumstances with a view to understanding the process of administrative action.

One thing that stands out clearly from a careful consideration of the fare revision story is that the people's elected representatives can be quite irresponsible in administrative matters. In the present case, they were content to let the transport and electricity services of the city of Bombay deteriorate and suffer the most irreparable losses because of their personal dislike of the particular executive who administered them. Larger considerations of the public interest, which politicians are elected to represent, seem to have been poorly served by the councillors and other politicians in the earlier history of this case, and it was — contrary to what elected representatives maintain — the administrators who preserved and promoted considerations of the public interest.

For this reason, the wisdom of trying to use "blackmail" to secure a desirable administrative end is very questionable. The former General Manager adopted a strategy of insisting on the fare revision as a condition precedent to an increase in the bus fleet or improvement of operational efficiency. He even tried to curtail services in the hope that pressure might develop on the councillors and the Committee to take the logical step of fare revision, so that services might be improved. To make such a strategy work, a very effective public relations programme would have to be used. Otherwise, it could recoil only on the chief executive, not on his political masters. Towards an effective public relations effort the General Manager took scarcely any steps; even his press relations were unsatisfactory. And even if such a public relations programme had been adopted, it is doubtful whether in this country public opinion can be mobilised to such an extent as to coerce positive administrative action, although at times it can be

so used to bring about a negative decision. And certainly, it is most obvious that no public opinion pressure can be built up on a proposal to *increase* a utility charge. Thus, the strategy of coercion, which the General Manager employed, was foredoomed to failure.

In the next place, a factor that needs to be noticed is the advantage for an executive of succeeding a person who is either incompetent or who, though competent, has fallen under a cloud in the political and public sphere in which he has to live. There is no doubt that at the time he left the Undertaking, the former General Manager was not regarded very favourably by the press and the public. Even the Urban Development Minister openly criticised the working of the Undertaking.¹⁰ It is unnecessary to find out why the General Manager's "image" was so bad, and whether the faults were with him or not. The point is that it placed the newcomer, however inept he might be, at a distinct advantage, simply because of being new. It was fortunate that he exploited the "100 days". It is doubtful that he would have succeeded in an effort like this much later.

Another important consideration is the need for attention to public relations—whether it be relations with the passengers, employees, press, politicians or colleagues. It will be recalled that the former General Manager owed a good deal of his difficulties to his relations with the former Municipal Commissioner, who was in fact an astute administrator. The new General Manager had the advantage of a new Municipal Commissioner, who was very well-disposed towards him and, with his much closer contact with the councillors than the General Manager's, was able to predispose them in his favour. The extent of help from the Municipal Commissioner has perhaps not sufficiently appeared in this story, but it was substantial nevertheless. Helpful also were the General Manager's old service ties: for example, the Swatantra Party leader, who had called off the Satyagraha at the General Manager's instance, was an ex-I.C.S. Officer; the minister, who spoke to T about his amendment, was also formerly an I.C.S. officer under whom the new General Manager had worked. It is impossible to underestimate the utility of relations of this kind for an administrator.

¹⁰ See *Free Press Journal*, 1.3.66.

A good deal also depends on the determination and the doggedness of an administrator. The earlier General Manager (A) had framed one proposal after another in the hope of getting some increase in income by adapting his various schemes to the criticism levelled against them. In a short space of time he sent up several different fare revision recommendations. The effort he made must undoubtedly have made his successor's work much easier, and but for that start the new General Manager (B) might not have succeeded in getting the measure through. Yet there is little evidence that A pursued his ideas outside the Committee room. In contrast, his successor adopted a single scheme and pushed it forward with passionate, almost fanatical, singleness of purpose, both within the office and outside, on the streets, in the press,¹¹ and in drawing rooms as well. Politicians, like women, have to be courted day and night, before they can be seduced. And like women, they have their jealousies and rivalries, which in administrator should not hesitate to exploit in the public interest. In the present case, it was possible to exploit the differences within the Congress party in the interest of the BEST and it was because of this that the proposal went through in so short a time. Possibly because of this too the usual risks that attend such a courtship, the give-and-take that politicians practice and expect, the need to give too much to take too little — these did not obtrude on the General Manager in his routine administration of the BEST. Were it not for this, the price of seduction (a price that might have involved the gift of jobs for relatives or political partners, or interference in stores contracts) might have been higher than the General Manager would have cared to pay.

And finally, there was luck, and timing. The proximity of the elections, the approach of the Diwali recess, these two factors, which would normally have operated against adoption of the scheme in fact combined to help it. Having been brought to the brink of a fare revision just before the Diwali recess, the ruling party was keen on completing the debate before the recess, as it was obvious that the resumption of Corporation meetings after the recess would occur too near the February elections for the measure to pass. Again, the proximity of the elections was the

¹¹ See, for example, *Indian Express*, 19.10.1966 and 20.10.1966, reproduced in Annexure C.

one thing that mellowed opposition hostility to the scheme. Opposition councillors were in no sense reluctant to allow the Congress to suffer the electoral consequences of a fare revision, and therefore, by simply registering a protest but not fighting the scheme vigorously, they were able to secure an advantage over the ruling party.

This list of factors must necessarily end with a postscript, which is this : Scarcely any of these factors could have been listed in advance. They all have the advantage of hind-sight.

APPENDIX A(1)
FARE REVISION PROPOSAL—FEBRUARY 1965

Distance Travelled Kms.	Present Fare Paise	Proposed Fare Paise	Net Effect Paise	No. of passengers affected each day	Revenue realisation at proposed fares Rs.
Upto 2.00	5* 10	5 10	— —	94,279 5,95,684	4,714 59,568
2.1 to 2.6	10	10	+ 5	4,68,037	70,206
3.7 to 5.0	15	15	—	1,89,472	28,421
5.1 to 6.4	15	20	+ 5	2,05,262	41,052
6.5 to 7.0	20	20	—	27,659	5,532
7.1 to 9.2	20	25	+ 5	1,17,915	29,479
9.3 to 10.0	25	25	—	21,595	5,399
10.1 to 12.0	25	30	+ 5	61,464	18,439
12.1 to 13.0	30	30	—	8,923	2,677
13.1 to 14.8	30	40	+10	18,115	7,246
14.9 to 17.0	35	40	+ 5	11,024	4,410
17.1 to 17.6	35	50	+15	3,109	1,555
17.7 to 20.4	40	50	+10	7,577	3,789
20.5 to 21.0	45	50	+ 5	683	342
21.1 to 23.2	45	60	+15	2,912	1,747
23.3 to 26.0	50	60	+10	730	438
				18,34,440	2,85,014
† Revenue realisation at present fares					2,38,246
Additional Income per day					+ 46,768
Allowing 7.5% margin for adjustment of travel					—21,376
Net addition per day will be					+ 25,392
Per annum					92,68,080
Say					90 lakhs.
* Children					
† Excluding earnings from TAYL tickets.					

APPENDIX A(2)
FARE REVISION PROPOSAL—SEPTEMBER 1965

Distance Travelled Kms.	Present Fare Paise	Proposed Fare Paise	Net Effect Paise	No. of passengers affected each day	Revenue realisation at proposed fares Rs.
Upto 3.6	5* 10	5 10	— —	94,279 10,63,721	4,714 1,06,372
3.7 to 5.0	15	15	—	1,89,472	28,421
5.1 to 6.4	15	20	+ 5	2,05,262	41,052
6.5 to 6.7	20	20	—	11,646	2,329
6.8 to 8.3	20	25	+ 5	85,889	21,472
8.4 to 9.2	20	30	+10	48,039	14,412
9.3 to 10.0	25	30	+ 5	21,595	6,478
10.1 to 12.0	25	40	+15	61,464	24,586
12.1 to 13.3	30	40	+10	11,897	4,759
13.4 to 14.8	30	50	+20	15,141	7,570
14.9 to 16.7	35	50	+15	8,904	4,452
16.8 to 17.6	35	60	+25	5,229	3,137
17.7 to 20.0	40	60	+20	6,138	3,682
20.1 to 20.4	40	70	+30	1,439	1,007
20.5 to 23.3	45	70	+25	3,595	2,516
23.4 to 26.7	50	80	+30	730	584
				18,34,440	2,77,543
† Revenue realisation at present fares					2,38,246
Additional Income per day					+ 39,297
Allowing 7.5% margin for adjustment of travel					—20,816
Net addition per day will be					+ 18,481
Per annum					67,45,565
Say					67 lakhs

* Children

† Excluding earnings from TAYL tickets.

APPENDIX A(3)
FARE REVISION PROPOSAL—NOVEMBER 1965

Distance Travelled Kms.	Present Fare Paise	Proposed Fare Paise	Net Effect Paise	No. of passengers affected each day	Revenue realisation at proposed fares Rs.
	5*	5	—	94,279	4,714
Upto 3.6	10	15	+ 5	10,63,721	1,59,558
3.7 to 5.0	15	15	—	1,89,472	28,421
5.1 to 6.4	15	20	+ 5	2,05,262	41,052
6.5 to 6.7	20	20	—	11,646	2,329
6.8 to 8.3	20	25	+ 5	85,889	21,472
8.4 to 9.2	20	30	+10	48,039	14,412
9.3 to 10.0	25	30	+ 5	21,595	6,478
10.1 to 12.0	25	40	+15	61,464	24,586
12.1 to 13.3	30	40	+10	11,897	4,759
13.4 to 14.8	30	50	+20	15,141	7,570
14.9 to 16.7	35	50	+15	8,904	4,452
16.8 to 17.6	35	60	+25	5,229	3,137
17.7 to 20.0	40	60	+20	6,138	3,682
20.1 to 20.4	40	70	+30	1,439	1,007
20.5 to 23.3	45	70	+25	3,595	2,516
23.4 to 26.7	50	80	+30	730	584
				<u>18,34,440</u>	<u>3,30,729</u>
† Revenue realisation at present fares					<u>2,38,246</u>
Additional Income per day					+92,483
Allowing 15% margin for adjustment of travel					—49,609
Net addition per day will be					+42,874
Per annum					1,56,49,010
Say					156 lakhs

* Children

† Excluding earnings from TAYL tickets.

APPENDIX B
FARE REVISION PROPOSAL—SEPTEMBER 1966
ORDINARY SERVICE

Distance Travelled Kms.	Present Fare Paise	Proposed Fare Paise	Net Effect Paise	No. of passengers affected per day	Revenue realisation at proposed fares Rs.
	5	5	—	96,440	4,822
0.0 to 2.0	10	10	—	3,20,170	32,017
2.1 to 3.6	10	15	+5	6,96,888	1,04,533
3.7 to 6.4	15	20	+5	3,82,806	76,561
6.5 to 9.2	20	25	+5	1,34,304	33,576
9.3 to 12.0	25	30	+5	68,305	20,491
12.1 to 14.8	30	35	+5	20,880	7,308
14.9 to 17.6	35	40	+5	8,550	3,240
17.7 to 20.4	40	45	+5	4,258	1,916
20.5 to 23.2	45	50	+5	576	288
23.3 to 26.0	50	55	+5	24	13
				17,33,201	2,84,945
Daily Revenue realisation at the present fares					2,19,116
Additional Income per day on the basis of the proposed fares					+ 65,829
Allow 7.5% margin for adjustment of travel					—18,608
Net additional income per day					+ 47,221
Per annum					1,72,35,665
				Say	172 lakhs

On the Limited stop services, a minimum fare of 15 paise up to 2 Kms., additional 5 paise for journeys beyond 2 Kms. and up to 5.5 Kms., and additional 10 paise for all other journeys, over the proposed ordinary fares will be levied. The additional income will be Rs. 18 lakhs per annum.

APPENDIX C

(1) INDIAN EXPRESS—19TH OCTOBER 1966

BEST Service : too cheap to be good

By.....General Manager, BEST Undertaking

Bombay certainly does not have the bus service it deserves. In recent weeks the question has been widely debated whether to aim at a better service, or oppose the projected fare rise and accept a further deterioration in the service.

Let's face it: the service is less than adequate. There are long queues at bus stops; buses are too often unpunctual and irregular; they run in groups instead of being properly spaced out to serve the public effectively.

Some of these aspects are, of course, the fruit of insufficient control (about which efforts at improvement are constantly being made). The others are the result of Bombay's peculiar traffic conditions. But basically, the poor quality of the service is due to a serious insufficiency of buses.

The fleet is just too small for Bombay's present needs. In 1962, expert opinion assessed the desirable size of the fleet for 1966 at about 1,600 buses. There are today less than 1,375. Worse still, a large part of the fleet is so old that many of the buses spend a good deal of time in the workshops; those that do venture out break down very often and upset schedules badly. Four out of every ten buses in the fleet are more than ten years old.

PERFORMANCE

And yet, the BEST uses its buses, old and weary as they are, rather effectively. With 1,300 odd buses, it transports 1.8 million passengers daily. Compare this with New York, where 2,300 buses transport 1.5 million, each passenger paying a flat fare of 20 cents (Rs. 1.50).

Bombay needs more buses, many more buses have to be bought and put on the roads as fast as possible. A double-decker bus costs about Rs. 1.33 lakhs, a single-decker about Rs. 75,000. To pay for these new buses the BEST will have to take loans, and this it can do if there is a tolerably good chance of being able to repay these loans. For this its income must be well above its expenses. But last year it spent Rs. 67 lakhs more than it earned, even after taking credit for the profits its electricity side earned. This year, at current fare levels it will lose about Rs. 1.66 crores. Next year will be still worse.

How has this really come about? Although the BEST fares are lower than those of most other bus services in the country, mile for mile, the BEST's costs are nearly 40 per cent higher. This is chiefly because its wage bill (computed for each mile run) is much higher. The BEST pays dearness allowance at a rate that is firmly tied to the level of prices, with the result that its wage bill has risen uncontrollably from Rs. 443 lakhs six years ago to over Rs. 775 lakhs today. Wages make up nearly half the cost of bus operation.

Prices have risen all over, and our operating materials are no exception. Take for instance, tyres. In five years, the price of tyres has soared by 60 per cent and the cost of diesel has gone up by nearly 45 per cent. Diesel, one need hardly say, is one of the principal items of consumption. The BEST spends nearly Rs. 1.8 crores on diesel annually.

Latest of tax burdens is the Rs. 55 lakhs passenger tax that the State Government has imposed from September 15. These are some of the principal items that make up the cost of the service. Together they account for 70 per cent of total operating cost. The case for the fare rise, then, rests on the uncontrolled and uncontrollable factors in the rise in costs.

And, after all, how much more will passengers have to pay if the fares are changed? Just five paise more for each journey (except for those who travel less than 2 kilometres; they will pay no more than now). So that a regular bus commuter will have to spend just 10 paise more daily, whatever the distance he travels, or Rs. 30 for a whole year of travel. With operating costs rising so steeply every month, is this too much to ask?

On the other hand, if fares remain at today's level, if, as some demand, the BEST should do its bit — in isolation, with everyone else raising prices — to hold the price line, then, it is clear, improvements in the service can be only marginal, not substantial. And Bombay's irate travellers will continue to spend much of their time in queues, and make the bitter, if inevitable pun about BEST service being the worst.

(2) INDIAN EXPRESS—20TH OCTOBER 1965

BEST fare : the big 'why' answered

How many private companies charge less for their products today than they did in 1950?

This question was posed by Mr.....General Manager of the BEST Undertaking, in an interview to "The Indian Express" on Wednesday when he clarified some of the arguments levelled against the proposed fare rise.

He said it was claimed that before its municipalisation, the BEST Company had run a cheap and fairly satisfactory tram and bus service, and paid good dividends to its shareholders.

The moral sought, according to him, was that the policy of nationalisation had ruined an efficient organisation.

"Return the BEST to the private sector and the service will improve, the fares will fall, the era of high profits will drawn again and we shall all live happily ever after. A magic formula", he added.

But the private company, Mr.....explained, had never charged less than its service cost. According to him, the only utility that seemed to be in trouble despite the "magic" of private sector was the Bombay Gas Company.

The General Manager produced the following table to prove his claim that the suburban services were far more expensive than they are today :

	1960		1950
Kms.		City	Suburbs
3.9	10 paise	9 paise	19 paise
6.4	15	19	25
9.2	20	22	37
12.0	25	31	50
14.8	30	37	62

Mr..... said in the heyday of the private bus services, in the suburbs, the fares were even higher than the 1950 rates shown above.

As a child, he said he commuted to a city school from Versova and the distance he used to travel by bus cost an adult no less than four annas each way. Today, the bus fare for the same distance was 10 paise — less than half as much.

And the time table, he stated, was far less reliable than it was today, even allowing for the irregularities that the people complain of.

NO COMPARISON

“Try to name one commodity or service that has a comparable price history”? he asked.

Analysing the Undertaking's present problems, he maintained that Bombay's buses were too few, and frequently too full to pick up more than one or two passengers. This generated a good deal of friction between passengers, who had to wait long at stops, and the running staff, who had to control entry, and gave rise to numerous complaints about rude conductors.

Mr.....was emphatic in stating that “Bombay needs more buses; many more buses have to be bought and put on the roads as fast as possible and for this the Undertaking's income must be well above its expenses”.

The citizens would naturally want to know how such a situation had developed.

He opined that loans could not easily be raised to pay for the new buses the Undertaking needed and simultaneously the fleet got older, breakdowns more frequent, the service poorer.

WORST FEARED

Mr..... feared that as things were, the service, at any rate part of it, might well come to a total stop. Since income fell short of expenses, the BEST could not pay some of its bills and the day might soon come when stockists would withhold important supplies, there might be no diesel or no tyres to bring out the buses.

He pointed out that strangely enough the basic price of diesel had come down during the last five years from 83 paise to 68 paise for five litres but the tax component of the final price had risen from Rs. 1.72 to Rs. 2.96.

Registration and licence fees had reached Rs. 38 lakhs this year as against Rs. 29 lakhs four years ago, latest of the tax burdens being Rs. 55 lakhs passenger tax the State Government had imposed from September 15, he added.

Whether in the private or the public sector, which of these factors were susceptible to economy or more efficient management, he asked.

MAIN FACTORS

Mr..... argued that the case for the fare rise rested on the uncontrolled and uncontrollable factors in the rise in costs.

To keep fares stationary, to continue the present loss of Rs. 60,000 daily was to ensure that not even six months or a year from now would Bombay have a better transport service, he said.

The effects of rationalisation of fares, he observed, would take long to make an impression on a standard service.

"You do not get new buses off the shelf; bus chassis have to be bought and bodies built on them; this takes time".

So, "if there is to be a better service this time next year, the time to increase income is now", he concluded.

The One Lakh Housing Scheme of Kerala—A Case Study

C.K. KOCHUKOSHY

The One Lakh Housing Scheme of Kerala has already attracted the attention of people all over India and even abroad. No housing scheme with such social purpose covering such a wide area is known to have been undertaken by any agency in the world so far. Even in developed countries where thousands of apartments are built, the methods used are those of mass production with the liberal use of machinery and pre-fabrication. Even then a target of a hundred thousand houses is not known to have been set by them for completion within a year or so. It is estimated that the market price of a house would be about Rs. 2,000 and the cost of land involved about seven crores of rupees. The total financial implication of the scheme thus comes to about twentyseven crores of rupees for one lakh houses. How such a gigantic scheme has been undertaken by a State Government with meagre resources constitutes a case study which is interesting.

PART A.

DECISION MAKING

In the peculiar situation in which the State was placed, with its highest density of population, highest literacy and rather low income per capita, a scheme like the One Lakh Housing Scheme benefiting at least five lakhs of the population was an overdue programme. The distribution of the population in the State is also such that any distinction between a village and a town was difficult to make out. Land Reforms Legislation of Kerala had made all the squatters the owners of land. Though this legislation benefited a large section of the people, it also brought about a complete halt to any further possibility of land

Therefore when the Government of India announced, towards the fall of 1971, a scheme for the provision of house-sites to landless workers who had not benefited from any Land Reforms Legislation, it was considered as a boon by the Government of Kerala. The first step was to prepare a comprehensive project report covering the entire State for the provision of house-sites to the really needy people.

There was also another reason why this scheme had a great appeal to Kerala. The experience of the Government in the field of housing so far had been that all housing schemes contained the important element of repayment even though in certain schemes there were small grant components also. In other words, the earlier schemes benefited only those who had something and not those who did not have anything. This is true even in the case of popular housing schemes such as, Low Income Group, Subsidised Industrial Housing Scheme, Rural Housing Scheme, etc. The scheme of the Government of India for the provision of house-sites to rural workers free of cost was probably the first scheme exclusively benefiting the really needy and poor section.

The Government of Kerala was very keen to implement the scheme but with a modification that the free house-site to be given to the poor people must also contain a house. Here again, it was the experience of the Government that has come to our help. It has been noticed that if a poor man was given some free holding of land he had always an irresistible temptation either due to the circumstances around him or due to the machinations of monied persons to part with this land for some paltry amount and convert himself once again into a poverty stricken man. It was felt that a house would naturally tie him down to the land and give him some mooring to lead a life of hard work and satisfaction. It was also felt that the social implications of giving a home to a poor wandering man were so great that the houseless people could be converted from being a social liability to an asset as far as the country was concerned. It was in these circumstances that a major decision was made by the State Government to provide a house on each of the free house-sites to be given to landless workers by the Government of India. Thus the One Lakh Housing Scheme of Kerala became a complementary scheme between two Governments; the Government of India meeting the cost of the house-sites and the State Government building the houses. The job of

building houses was however comparatively much more difficult than the job of finding house-sites. The financial resources of the State Government being poor, the decision to give a house to each homeless person was taken in a very conscious way appreciating the infinite problems involved.

The Prime Minister, Mrs. Indira Gandhi, has described the massive scheme of providing houses to 100,000 landless workers as a bold and imaginative one. The past experience of house building for the poorer sections of the community by the Social Welfare Department of the State Government has shown that during the last 1½ decades of planning and development, the maximum number of houses built for the Scheduled Castes and Scheduled Tribes was only 500 units per year. Out of the one lakh houses now being built in Kerala 50 per cent has been earmarked for the scheduled castes and scheduled tribes, *i.e.*, 50,000 houses. If the normal budgetary provision of the State Government was to be depended upon, it would have taken 100 years to provide 50,000 houses to the weaker sections of the society in the State. In other words, the scheme envisages the condensation of the achievement of one century into a span of just one year and that is why there is justification to describe the scheme as a bold and imaginative one.

The various considerations which the State Government had while deciding to take up a scheme of this magnitude are indicated in the Project Report of the scheme on the basis of which the Government of India had approved it. These considerations are mainly economic and social and are supported by statistical data which are quite revealing. The following were some of the important points indicated in the Project Report:

1. Kerala is the most thickly populated State in the Indian Union—The density of population exceeding 1400 per sq. mile.
2. The percentage of agricultural labourers to the total number of workers has gone up from 17.38 in 1961 to 30.68 in 1971. This shows that there was a gravitation towards agriculture away from industry and this betrays lack of industrial development.
3. The literacy rate in Kerala is the highest in India and the literacy rate in Alappuzha in Kerala is higher than the

capital city of India.

4. The expectancy of life in Kerala is also the highest in the whole of India closely followed by Punjab.
5. Kerala was one of the first few States which have brought about Land Reforms, but even after the implementation of the Land Reforms, a sizable section of the population remains without accommodation.
6. The village life of Kerala is also peculiar. Villages do not exist in Kerala in the way, they exist in other States. The entire State is either a single diluted city or an extended panchayat. The average Keralite is highly individualistic.
7. Kerala is also generally accepted as one of the cleanest States in India.

These characteristics of the State posed a very peculiar problem in the field of housing. With very high literacy rate and very little availability of land and without much hope for industrial and economic development, an explosive situation was fast developing in the State. Progressively increasing number of landless and houseless people was constituting a threat to the tranquillity of the social life in the State. The main housing schemes in the State were the following :

1. Low Income Group Housing Scheme;
2. Poor Housing Scheme;
3. Settlement Scheme;
4. Subsidised Industrial Housing Scheme;
5. Village Housing Project Scheme;
6. Subsidised Rental Housing Scheme for the Weaker Sections of the Community;
7. Housing Scheme for the State Government Employees;
8. Cooperative Housing Scheme;
9. Plantation Labour Housing Scheme; and
10. Slum Improvement.

Practically all these housing schemes have not benefited the lowest strata because, as already mentioned, they touched only a fringe of the problem and only those with some means could generally avail of the scheme.

Having decided to implement a modified scheme of the

Government of India to provide houses and house-sites to the landless workers, a series of other decisions were to follow. First of all, the question arose whether the houses should be built by departmental agencies, contractors or otherwise. Departmental work would also involve contractors to some extent. The cost of the project would have to follow the schedule of rates fixed by the Department and also provide for some profit for the contractors. All this was felt to be unnecessary and costly. It was also felt that as far as possible, the entire work should be over in a year. The State did not have the means for any mechanized construction of the houses which were meant for the poorest section.

At a conference of the concerned Ministers and officers, the question was posed "why not entrust the work to the Panchayats?" Little drops of water make the mighty ocean and little grains of sand make the mighty land. One hundred houses by each of the nearly one thousand panchayats would make a hundred thousand houses. For one panchayat, one hundred houses (25,000 sq. ft. of total plinth area) was not a big task. The Kerala Panchayats were not so far given such a Statewide project for implementation. Here was a chance for them to prove their mettle. The Panchayat Elections were also round the corner and it was hoped that the Panchayats would grab the opportunity for such a constructive work. No department of the State Government had tentacles like the Panchayat in every village of the State. Unlike Government Departments, Panchayats were people's organisations and hence the most suitable agency to invoke popular enthusiasm. Their functioning was regulated by the Kerala Panchayats Act. It was, therefore, possible to issue statutory rules empowering panchayats to undertake such works. Representatives of the Panchayat Presidents were also consulted and it was finally decided to make the panchayats the implementing agencies of the scheme. A notification dated 6th April, 1972 was issued in the Kerala Gazette, making rules called the Kerala Panchayats (Providing of House-sites and Houses to Families of Landless Workers in the Rural Areas) Rules, 1972. The Rules came into force at once.

A number of points had to be settled. Even the title of One Lakh Housing Scheme was decided upon only after clear ideas about the coverage of the scheme emerged. The plan of the Government of India was to limit the coverage to just one

district in each State and to cover the entire houseless families of the district. We had a rough idea of the number of houseless people in the State as about three lakhs. We could not select just one district in the State because of certain historical reasons. The State is constituted by three distinct historical units consisting of the erstwhile States of Travancore, Cochin and the British administered Malabar area. Selecting one district anywhere in these three areas would have raised protests from the other two areas. The next alternative was to select three districts, one from each of these areas and cover those of the houseless people of those districts. Even this could have created problems for us because the high educational standard of the State would have provoked criticism from the people as to why there was invidious distinction between one district and the other. The political complexity of the State would have surely fanned the breeze. It was, therefore, decided that instead of covering all the landless people in a few selected districts we would cover roughly $\frac{1}{3}$ rd the number of landless people in all the districts of the State. This is tantamount to covering 3 or 4 districts fully out of the total eleven districts of the State.

Another point for decision was the extent of area to be earmarked for each house-site. The Union Government had stipulated that each house-site should be 100 sq. yards only. Considering the pattern of habitation all over India with the possible exception of Kerala, 100 sq. yards may be all right. Villages are the nucleus of social life all over the country, but in Kerala, villages of the pattern in other States do not exist. There is no cluster of dwelling houses anywhere in the State. The whole State is either a diluted town or an extended panchayat, habitation being continuous and equally spread out. If we were to build houses for the landless people in plots of 100 sq. yards each, we would have only set up new slum areas in our countryside in places where they never existed. Not only would this have spoiled the countryside, but would have also created new problems for the State. In the Land Reforms Legislation of the State, the area of land which a squatter could claim was from 5 to 10 cents in rural areas. Though Kerala does not have big cities populated by more than half a million people, we also do not have many vacant places uninhabited by people. It was, therefore, decided to move the Government of India to enhance the area of a site to 200 sq. yards in order to

conform to the general pattern of living in the State. This was accepted by the Union Government and thus the final decision was made that in one acre of land there would be 20 families each enjoying four cents of land and the whole colony having 20 cents of land for common amenities. Though it would appear that the extent of a house-site in Kerala is double that of a house-site in other States, the situation is not so comfortable as it appears. According to the pattern prescribed by the Government of India for the scheme in other States, 25 families will have 50 cents of land at the rate of two cents each and another extent of 50 cents is earmarked for roads, common amenities, etc. So what is allowed to the State Government is only a marginal adjustment instead of the apparent 100 per cent increase. Another decision was that not more than 20 houses should be concentrated at a spot. There are instances in the State where hundreds of acres have been acquired and families of scheduled castes and tribes resettled there. Apart from the stigma of referring to these colonies as 'harijan or tribal colonies' they also created problems of employment for the inmates of these colonies. A village in rural area would not be able to give work to more than a limited number of labourers. By selecting one acre plots for 20 families each, it was thought that the employment problem would be easier for these people and availability of workers in the rural areas would be assured on a much wider basis. Of course in a few cases, comparatively bigger plots have been acquired for special considerations, but they are exceptions to the rule.

In the chain process of decision-making, another important link was the acquisition of land for the project. Having decided that the houses should be scattered all over the State in clusters of not more than 20 at a spot, it was found that about 5000 acres of land at different 5000 places in the State will have to be acquired for the purpose. Five different places in each panchayat were to be obtained. This was not an easy task if procedure under the Land Acquisition Act was to be followed. As a project for the poor man, economy was most essential and it was decided not to recruit any additional staff for the implementation of the project at any stage. Therefore extra staff for land acquisition was out of the question. The danger of court enhancement of the valuation of the land was always there like a Damocles sword. It was in these circumstances that the decision was made to acquire the land

through negotiated purchase.

Even this procedure could lead to complications if it was not done with proper care. Therefore detailed instructions were given to facilitate this process. The agency for negotiations was decided upon as the Panchayats themselves. With their detailed local knowledge, Panchayats were thought to be in a better position to conduct negotiations with private parties for the purchase of land. In order to ensure that local politics and personal prejudices do not influence the decision regarding selection of sites, it was stipulated that certificates of reasonableness of price and suitability of sites should be obtained from competent revenue officials before any land was purchased. Proper scrutiny of titles was ensured through the advice of Government Pleaders, as far as possible. Instructions issued about the *modus operandi* of the acquisition of land will be dealt with when the implementation stage is discussed later.

An unexpected difficulty, however, arose in the meantime. The Government of India whose approval of the scheme was awaited, informed the State Government that they would not be willing to advance the entire cost of land in cash. They said that only 1/3rd the cost of the land would be given to the owner in cash and the remaining 2/3rd would be given in two annual instalments in the form of bonds to be issued by the Government of Kerala, with the approval of the Reserve Bank of India. Since it was the responsibility of the Union Government to meet the cost of land and the cost of development, the State Government agreed to this proposition of the issue of the bonds. The exact reasons for this decision are not known, but a reasonable surmise can be made that there could have been two reasons for the same: (a) paucity of available funds, and (b) the fear that the sudden injection of 7 crores of rupees into the financial arteries of the State would cause inflation. These surmises are admittedly open to debate and it is not proposed to discuss them in this study. Urgent action had to be taken to get the bonds printed by the Reserve Bank of India through their Public Debt Office at Madras. The absence of such an office at Trivandrum, the capital of the State, was also keenly felt.

Another decision which was taken by the Government of India was to reduce the grant for development of land from Rs. 150 to Rs. 75 per plot. It was felt (and it is even now being contested)

as a discriminatory treatment. This decision had been subsequently assailed in the Parliament and the justification given for the same was that the Union Government had to meet a higher cost of acquisition for the land in Kerala, partly because of the higher cost of the land and partly because of the bigger extent of the plots. It has since been brought to the notice of the Union Government that by following a procedure for negotiated purchase of land evoking competitive offers, it has been possible to effect considerable savings from the original estimate for the purchase of land. Also the State Government was supplementing the Union Government's scheme of providing house-sites with the provision of houses also, and this naturally requires special consideration by the Government of India. The matter has not yet been finally decided.

FINANCIAL DECISIONS

Perhaps the most important decision was to set up the Chief Minister's Housing Fund. It was felt that normal budgetary provision and issue of administrative sanctions and routine financial clearance from Trivandrum of various proposals would delay the implementation of this scheme which was essentially timebound. Moreover, the implementation of the scheme being the responsibility of the various panchayats and the raising of funds also being partly a job of the panchayat and with massive involvement of the people, it was desirable to have only a pragmatic financial control. Voluntary contribution by the people and voluntary labour are the main pillars of the scheme. All voluntary contributions at the district and the State level were to be credited to the new fund. A committee to operate the fund with the Chief Minister as the Chairman and the Special Secretary in charge of the Housing as the Secretary was set up. The Finance Secretary is the Treasurer of the fund. The Minister in charge of the Housing, the Finance Minister and the Chief Secretary are members. The committee is competent to decide upon the policy for the disposal of the fund.

The Chief Minister's Housing Fund was to be operated both at the district level and at the State level. But all donations were to be credited to the central fund in the first instance. Formal receipts were also printed and distributed to the Collectors who

further distributed them to other officers of the district entrusted with the collection of funds. Three main sources were set apart for collection of funds: (1) Every employee in the public and private sector including various Government departments was requested to donate his wages/salary for one day to the Chief Minister's Housing Fund for the One Lakh Housing Scheme. Even workers in the factories were requested to rise to the occasion and help their weaker brethren. (2) Every educational institution such as, Upper Primary Schools and High Schools was requested to donate the cost of one house, viz., Rs. 2,000. Colleges and Schools with comparatively bigger strength of students were requested to donate two or more houses each. It was estimated that about 5000 educational institutions would be able to respond to this call. (3) Every Cooperative Society was requested to donate one house, viz., Rs. 2,000. It was estimated that about 5000 Societies which were economically better off should be able to make donations. In addition, any individual could donate Rs. 2,000 or more to the Chief Minister's Housing Fund and could also request that houses for which he had paid donations should be named after the memory of any of his dear ones. Collections made at the district level through the efforts of the District Officers were also to be credited to the central fund. But 60 per cent of such collections could be transferred from the central fund to the district account at the disposal of the Collectors for helping needy panchayats and for meeting all other items of expenditure.

STATE GOVERNMENT HELP

Though voluntary contributions and voluntary labour are the two main sources of strength for the scheme, it was felt that, as a scheme sponsored by the State Government, some substantial assistance should be given by the Government also. The administration of the scheme is looked after by the various officers and departments of the State Government right from the Special Secretary for Housing down to the village level worker. An unwritten decision had already been taken that no extra staff should be recruited for the project. Everyone was expected to do his duty for the scheme in addition to his normal responsibility. No overtime or extra allowance has been sanctioned to any officer of the State

Government for the scheme. In fact, it will be a unique scheme costing about 27 crores of rupees for which no establishment cost is incurred by the Government. It was also decided that the timber required for the scheme should be supplied free of cost by the State Government through the Forest Department. A decision to this effect was made by the Council of Ministers on August 10, 1972. It was estimated that 22 cu. ft. of wood was necessary for a house. In addition sawing charges and transportation of timber to the sites were also at the cost of Government. An amount of about Rs. 2½ crores will have to be incurred by the State Government. For meeting the expenditure for sawing and transport and also for necessary book adjustment regarding the cost of the timber and for channelling central fund for the purchase of land, etc., budget provision of five crores of rupees has been made. All the other expenses for the construction of the houses were to be met from the Chief Minister's Housing Fund and through collections by the panchayats. The amounts collected by the panchayats through their local efforts were to be credited to a separate account in the name of the panchayats to be opened in the nearest scheduled bank or cooperative bank. The Executive Officer of the panchayat and the Panchayat President as Chairman of the construction committee could operate these accounts. Local collections were free from the central control of the Chief Minister's Housing Fund. Thus the finances for the construction of the One Lakh Houses were handled at three different levels, viz., State level, District level and Panchayat level. Panchayats could collect donations in kind also such as rice, tapioca, etc., for feeding volunteers at the time of construction of houses.

TECHNICAL AND MATERIAL CONTROL

Though Panchayats were free to collect funds locally and spend the same for the construction of houses, a certain modicum of uniformity and technical guidance was considered necessary. The first decision in this connexion was to evolve a good design for a cheap house. Suggestions were invited from a number of experts dealing with cheap housing. Various housing organisations, Housing Boards, and individual experts like Mr. Baker, a British Architect residing at Trivandrum, responded to the call

of the Government and helped us in evolving a design. The plinth area of a house was fixed at about 250 sq. ft. and two such houses were to form one duplex house. A strong central wall with lean to on either side was thought to be the best design, not only for a cheap house, but also as one that could easily be made. A type design was necessary because it was also decided that the timber, tiles and cement should be arranged and supplied by Government to each panchayat. It was felt that once these three important ingredients of a house are delivered to the panchayat, the local committees would have no option but to proceed with the construction of houses. Over six crores of tiles would be necessary for these houses. Similarly, over half a million bags of cement would also be necessary. In addition, large supplies of burnt bricks and other building materials would be necessary. It was felt that such wholesale requirements of materials would rejuvenate the industrial life of the State.

It was however anticipated that unless a start was made in each panchayat and the ice was broken, real work could not commence. To start a nucleus of funds for the panchayat, an order was issued by Government giving permission to all panchayats to spend Rs. 5,000 for the One Lakh Housing Scheme, from their own funds. The Government was also eager to create a sense of participation in the minds of the beneficiaries. It was, therefore, decided that every beneficiary should contribute Rs. 110 to the panchayat as their monetary assistance to the scheme. Of this, Rs. 100 should be paid in monthly instalment of Rs. 10 and another Rs. 10 should be given as contribution for making a latrine for each house. The remaining cost of the latrine was to be met by Government. So, for the construction of hundred houses, each panchayat would be getting Rs. 10,000 as contribution from the beneficiaries during the course of the year. But since the money was required right at the beginning itself, Government issued orders that panchayats could take a loan of Rs. 10,000 from Government which could be returned to the Government as the beneficiaries completed their individual contributions of Rs. 100. It was also decided that panchayats through voluntary labour and otherwise should develop the plots for construction of houses and they could claim the developmental cost of Rs. 7,500 available from the Government of India. Thus to begin with, each panchayat could be assured of

funds to the extent of Rs. 22,500 as follows :

		Rs.
Permission from Panchayat funds	..	5,000
Contribution of beneficiaries (loan from Government)	..	10,000
Development cost (grant)	..	7,500
		<hr/>
Total	..	22,500
		<hr/>

The final decision about the quantum of development cost is yet to be made by the Government of India. It was also decided that in the case of panchayats which are financially better off, they could advance more money from their own funds. In addition to the availability of Rs. 22,500 panchayats were also assured of free supply of cement, timber and tiles. It appeared to Government that with this financial-cum-material supply position, it would not be very difficult for the panchayats to make up their minds to launch the scheme.

PART B

IMPLEMENTATION

In a scheme of this magnitude, it is rather difficult to draw a line of distinction between decision-making and implementation. In fact, the decision-making will run right through the process of implementation at various levels. However, once it was decided that the panchayats should implement the scheme and a Chief Minister's Housing Fund should be set up and people should give donations and voluntary labour, the next problem was to convert these decisions into practice. As already mentioned, the panchayats were empowered statutorily to undertake this work and necessary rules were published. While implementing the scheme the first problem which the panchayats faced was the selection of beneficiaries. It was known that in most of the panchayats, the number of people in need of houses and house-sites would be much more than 100. But it was also possible that even persons who had land of their own might also apply for

getting the benefit of the scheme. Each panchayat was authorised to set up a House Construction Committee under the chairmanship of the Panchayat President, other members of the panchayat and representatives of political parties in the local area (to be nominated by the District Collectors in consultation with the local party units) as members. Applications received on plain paper within a prescribed time was screened by this Committee and from the names of eligible applicants 100 names were to be taken by lot. Introduction of the system of lots had obviated allegations of favouritism in the selection of beneficiaries. Fifty per cent of the houses were earmarked for the members of the scheduled castes and tribes and allied communities and the remaining 50 per cent for other landless workers. The idea of reserving 50 per cent of the houses and house-sites for members of the backward communities such as scheduled castes was to help the poorest section of the community. Socially and economically, these people still constitute the bulk of the needy people of the State. Even though 50 per cent is reserved for them, there is no exclusive colony for these people. They are to live side by side with other beneficiaries so much so that through this scheme a better social integration is also achieved. In local areas, where there were concentrations of fishermen, the Collector could earmark a few houses for them. In order to become eligible for a house under the scheme the following conditions had to be satisfied :

- (1) Neither the head of the family nor any of its other members own any land whatsoever in the rural area.
- (2) The family depends for its livelihood mainly on the unskilled labour of its members.
- (3) The members of the family reside in the rural area for the major part of the year.

The selection of beneficiaries had created no problem for the panchayats. All political parties had co-operated with the panchayats in screening and selecting suitable candidates and this has already been done in most of the panchayats of the State. The beneficiaries were also required to sign agreements binding themselves to abide by the rules and not alienate the house-sites to any other person and to surrender to the panchayat the house when no longer required by them and also agreeing to be evicted summarily in the event of the allottee committing breach of any of the terms and conditions.

The next stage in the implementation of the scheme was the selection of sites and their purchases. The land purchased was to

remain as the property of the Government, the beneficiaries having only permanent lease right. But the negotiations for the purchase was to be conducted by the panchayat. Sites to be selected were to be near the place of work of the prospective allottees and due consideration should be given to their habitability and availability of facilities like water supply, lighting, etc., at reasonable cost. Before selection of sites, panchayats should publish the list of sites proposed to be selected and the price demanded for each site on the notice board of the panchayat for a period of two weeks. Other persons are free to make competitive offers of other lands which should be considered by the panchayat. After the selection of sites the panchayat should forward the relevant papers to the Revenue Officer authorised by the Government in this behalf and obtain the necessary certificates from him regarding suitability and reasonableness of the price. Purchase would finally be effected with the approval of the District Collector in the name of the Government for which funds would be placed at the disposal of the panchayat. The land thus purchased should be developed and laid out by the panchayat as house-sites. In the process of lay-out, voluntary services of technical personnel like senior students and staff of the Engineering Colleges, Polytechnics and officers of the Engineering Departments like Public Works, Public Health Engineering and Town & Country Planning were available. The house-sites allotted were heritable but not alienable.

The story of land acquisition for the scheme is indeed an interesting one. As soon as the Kerala Panchayats (Providing of House-sites and Houses to Families of Landless Workers in the Rural Areas) Rules, 1972 were published on the 6th of April 1972 there was a healthy competition between panchayats and between District Collectors for quick acquisition of land. During a period of about six months nearly 4,000 acres of land were purchased all over the State. The procedure for publishing details of land proposed for purchase and calling for objections paid handsome dividends. In most of the panchayats competitive offers from other land-owners were received and the panchayats were in a position to dictate their terms and insist upon reducing prices. It has been estimated that this has resulted in savings to the tune of one crore of rupees for the Union Government who meet the cost of the land. Since purchases were by negotiation the vendors are estopped from going to court for enhancement of the price of

the land. There have been a few complaints that the panchayats have not done justice in selecting sites for the scheme. Invariably all these complaints have been looked into by the Collectors or by the District Panchayat Officers and wherever possible procedural defects have been remedied. A series of widespread complaints which came up from various parts of the State was about the delay on the part of the Reserve Bank of India in issuing bonds as price of the land. In fact, bonds were got printed within a month of the decision to issue them, but the actual issue by the Reserve Bank of India was after requisitions for bonds were received from the Collectors in the prescribed proforma. Officials of the Reserve Bank of India who were contacted in connection with the complaints informed the Government that defects in the filling up of the proforma were responsible for the delay in issuing the bonds. It is possible that the offices of the Collectors which had heavy rush of work might not have been able to fill in the proforma correctly. In any case, Collectors were advised to rectify the defects and issue of bonds was continued without much further delay.

The next and the most important stage in the implementation of the programme after beneficiaries and sites were selected was to start the actual construction of houses. This was to be arranged and supervised by a committee constituted for each panchayat area with the following members:

1. Members of the house-site committee already mentioned.
2. Representatives of the social service organisations in the local area.
3. Representatives of allottees.
4. Representatives of students' organisations.
5. Other persons representing institutions or trade as may be specified by Government from time to time. In this category representatives of students' organisations were also nominated.

The President of the Panchayat is the Chairman of the Construction Committee. Second October, 1972 was fixed as the date on which construction should commence. But before this, tremendous work had to be done to bring about what may be called the "involvement of the people". By the first week of June 1972 itself

selection of beneficiaries had been done in a number of panchayats. Formal allotment orders were distributed at many places. The symbolic inauguration of this was done by the then Union Minister of State for Housing, Shri I.K. Gujral, at a colourful function at Ernakulam. The occasion was marked by a long procession and enthusiastic demonstration by the beneficiaries and other members of the public. Ministers from some of the adjacent States also participated in the function. Thus the One Lakh Housing Scheme got a gala opening. The period from June 1972 to January 1973 was fully utilised for a well planned programme of mass contacts. The Minister and the Special Secretary for Housing traversed the length and breadth of the State for holding meetings concerning the implementation of the scheme. A series of conferences were held at Trivandrum at the State level for exchange of ideas with representatives of political parties, trade unions, student organisations, panchayat representatives, Government servants and Teachers organisations, workers in the cooperative field, I.T.I. Certificate holders, the Press and various Heads of Departments of Government. During these discussions and conferences useful suggestions had been made which were helpful in putting across the message of the One Lakh Housing Scheme to the people at large. The State level conferences were followed by discussions and meetings at the district and sub-district levels in which both the Minister and the Special Secretary for Housing participated.

One conference, however, is worth mentioning from the administrative point of view. This was the State level conference of the Executive Officers of the Panchayats at Trichur towards the middle of 1972. Before this conference, the Executive Officers' Association had represented to Government for the redressal of some of their grievances which were outstanding for a long time. Since panchayats were the agencies to implement the scheme it was of utmost importance that the Executive Officers of the Panchayats who play the most crucial role in the functioning of the panchayats were introduced to this scheme as a contented group of officers. They had pointed out certain anomalies in their pay grades and were also discontented because of the lack of avenues for betterment of their prospects. Their case was specially taken up and favourable orders were passed on some of their most important demands. The Secretary to Government made it clear

to them that such a quick disposal of their long standing grievances was done with a view to evoking their higher instincts and what was expected from them was their wholehearted dedication to the cause of the One Lakh Housing Scheme. The Trichur conference which was not sponsored by the Government but was called in by the office-bearers of the Executive Officers' Association appealed to all the members of the association to respond to the expectations of Government and strain every nerve to see that the scheme is a success.

Thus one of the first steps in the implementation of the scheme was the psychological preparation of about 1000 officers directly responsible for its implementation in the panchayats to contribute their best while a massive involvement of the people at large was being attempted through mass communications and personal contacts. Almost all the newspapers of Kerala and a few outside the State carried special articles and supplements about the massive scheme of the One Lakh Housing Scheme and messages were received from national leaders giving their best wishes for the success of the scheme. It was in this context that Prime Minister Mrs. Gandhi described the scheme as a bold and imaginative one.

As already mentioned no additional staff was recruited for this scheme at any level of its administration. It was decided to abolish red-tapism and important decisions were taken after personal discussions between the Minister and the Special Secretary and with other Ministers and concerned officials. Most of these decisions were communicated to the District Officers through a liberal use of the teleprinter system. For their part, the Collectors and other officers communicated their problems and suggestions to the Government through similar channels. Avoidance of needless delay in decision making has been a feature of the administration of the scheme.

After preparing the human material for the scheme it was necessary to take steps to supply the building materials for the scheme. The Cement Controller of India was contacted and arrangements made for the supply of cement for the scheme on a priority basis to the Government of Kerala. The Regional Cement Officer and Cement Manufacturers were invited to Trivandrum for discussions with the Government. A series of conferences were held with the Tile Manufacturers' Association

and an understanding was reached with them for supply of tiles for the One Lakh Housing Scheme at a price lower than the current market rates. Similarly, saw mill owners were personally contacted by the District Collectors and persuaded to offer favourable terms for sawing of timber. Transport is generally a bottleneck in such adventures. Therefore discussions were held with the spokesmen of transport owners who were persuaded to transport all materials required for the One Lakh Housing Scheme at competitive rates.

At the same time in order to safeguard the financial propriety, tendering and negotiating procedures were adopted at the district level by the Collectors for arranging transport, sawing, etc. Vigilance committees were constituted in the development blocks near the saw mills to keep a watch over the sawing of timber to ensure that the wood supplied by the Forest Department is not swapped for any inferior variety. For cement purchase also concessions for bulk purchase and concessions for inter-state sales tax were arranged. To expedite deliveries from cement factories outside the State, Collectors deputed Development Officers across the border. Funds were placed at the disposal of the Collectors from the Chief Minister's Housing Fund for meeting the cost of cement and tiles. It was left with the panchayats to arrange for burnt bricks and also to provide sundried bricks or laterite stones according to their convenience. Some of the construction sites had a festival appearance. Large number of students from adjacent schools and colleges would be coming to help the panchayats in digging, carrying of bricks and other items of unskilled work. Delegates to the Inter-University Youth Festival 1972 at Trivandrum also participated in 'shramdan' at a panchayat near Trivandrum city.

While construction was in progress there was a dampening development when the cement factories cut down the production of cement as a result of the power cut imposed by the Government of Tamil Nadu in early 1973. The entire cement supply mechanism was put out of gear. Cement suddenly became a scarce commodity. Its price in the open market went up many fold. Panchayats naturally could not purchase cement at such prices. Certain local adjustments were made by the Collectors by borrowing cement from the local P.W.D. Stores on a temporary loan basis. Cement shortage did affect the progress of construction

considerably. The first half of 1973 was a dark period as far as cement supply was concerned. This had affected even other works of Government handled by Electricity Board, Public Works Department, etc. In the meantime the Government of Tamil Nadu appealed to the Government of Kerala to supply them a few lakh units of electricity every day till their supply position improved. The response from the Kerala Government was quick. Even at some inconvenience to the local consumers electricity was diverted to Tamil Nadu and Pondicherry with an understanding that cement supply to Kerala would be partially restored. This arrangement, to a small extent, alleviated the difficulties.

OTHER DIFFICULTIES FACED DURING IMPLEMENTATION

Apart from the shortfall in the supply of cement, the scheme faced a number of other difficulties. The most formidable difficulty was in the collection of funds. Though it was expected that every employee, Government or private, would be contributing one day's wages/salary, the response in this connection was not satisfactory. One section of the Government employees put up certain difficulties in giving one day's wages and said that collection should not be compulsory and it should be left to the employees themselves to decide the quantum and mode of their contribution. The Minister for Housing promptly replied that though there was no question of compulsory contribution, it was morally compulsory for every paid employee to make his contribution of one day's emolument. He emphasised that the compulsion is of a moral nature.

In fact a much weaker section of society had shown an exemplary gesture. The inmates of a Leprosy Asylum invited the State Minister to accept a donation from them at the premises of the leprosy hospital. In this hospital Government had arranged daily food supply for the inmates through contractors. All the leprosy patients living in the Asylum decided to give up two meals and the savings thus effected were collected from the contractor and donated to the Chief Minister's Housing Fund for the One Lakh Housing Scheme. While making the donation, their representative made a brief speech in which he pointed out that they were quite certain that none of the houses under the

One Lakh Housing Scheme would be made available to them because as lepers they were socially outcast, and could not claim any right for these houses. Even then, they felt that the cause was a noble one intended for helping another suffering section of humanity like the houseless people and hence they were making the donation. The occasion was indeed a moving one. There have been similar responses from some students and others. Even considering the fact that Kerala is not affluent, contributions collected cannot be said to have been good. About Rs. 60 lakhs were collected till Independence Day 1973. The single biggest donation was from the Ex-Maharaja of Travancore who gave 1.2 lakhs of rupees for building 60 houses in connection with his diamond jubilee. But the collection of funds is a continuous process and it will go on till the project is completed.

Another difficulty experienced was an undertone of local politics. Since the houses are constructed by the local panchayats, there have been efforts of a *sub rosa* nature to denigrate the scheme. Unfortunately, a few houses collapsed during the southwest monsoon of 1973. Undue publicity was given to this and an impression was created that the houses are structurally weak. The Special Secretary visited some of the sites where the houses collapsed. The issue was raised in the State Legislature. The Minister admitted in the House that a few houses had collapsed during the monsoon, but considering the large number of houses constructed it was a microscopic percentage and did not materially affect the implementation of the scheme. He, however, agreed to appoint an expert committee to look into the matter. The committee consisting of two Chief Engineers and the Chief Town & Country Planner visited the sites and submitted a report to the Government expeditiously. Their main finding was that the design was sound and the collapse had occurred in places where instructions were not correctly followed. They have also suggested a few minor changes in the design in order to further strengthen the structure. These have been discussed with the members of the committee and their suggestions have been accepted. But it should be mentioned at this juncture that in two or three panchayats, cases of deliberate damages to the houses have been reported. Though local investigation could not implicate any individual with the crime of damaging the houses, more detailed enquiries have been ordered to find out whether damages to the houses

have been caused by any groups with ulterior motives. At the same time it should be mentioned that no political parties in the State have expressed opposition to the scheme as such. In fact, functions for the distribution of houses are generally attended by people belonging to all political persuasions.

The shortage of funds has hamstrung a number of panchayats. Some of them found it difficult to complete the construction of all the 100 houses because before the actual completion their funds were exhausted. Very often they rushed to the State Government who forwarded their cases to the District Collectors for special consideration and issue of grant from the District Account of the Chief Minister's Housing Fund. Such special assistance was rendered by the Collectors when they were convinced that a little assistance would go a long way in helping panchayats to complete the work. This has expedited the depletion of the funds. The State Government are trying their best to supplement the funds through assistance by the Government of India or through loans to be secured from financing agencies.

Yet another difficulty is to secure the wholehearted co-operation of the panchayat members and achieve the total involvement of the local people. For example, though construction committees have been constituted in many panchayats, the Executive Officers are reported to be finding it difficult to get together a majority of the members of the committee to attend committee meetings. In cases where the Executive Officer, duty bound to proceed with the programme, takes decisions and goes ahead, he is open to criticism that he is doing things arbitrarily. But such cases are very few. In certain areas of the State such as Cannanore, Malappuram, etc., beneficiaries feel that four cents of land is too small and the semi-attached duplex houses are inroads into their privacy. Here again the difficulty thus created is only of a marginal nature and it is felt that the really needy section of the population would still be cooperating for making the scheme a success.

Water supply and sanitation for the various sites was a problem for a while. In the northern areas of the State the cost of digging a well is rather high considering the limited financial resources of the panchayats. In every acre of land laid out for 20 houses (10 duplex houses) space was available in the common ground for digging a well. In Jayanti Panchayats, that is one per development

block, digging of well was included as part of the job of the development department for which funds were available from Government sources. Even then there are more than 800 panchayats still in need of wells. In some of these panchayats digging of wells was not difficult either because the underground water level was sufficiently high or because local efforts were sufficient to meet the cost. In other places sanction was issued to meet the cost of wells from the amounts provided for L.D. Works in each district with the approval of the Collectors. Thus the problem of water supply has been solved to some extent. For sanitation it was earlier decided that every beneficiary should contribute Rs. 10 for constructing an E.S.P. type latrine and this amount would be supplemented by the funds of the Public Health Engineering Department. A re-examination of the whole issue was done with the officers of the departments of Local Administration, Housing and Finance and it was decided that the entire cost of supplying concrete slabs for the E.S.P. latrines would be met by Government and the beneficiaries need not spend anything on this account. But they should dig pits and set up the slabs to form latrines with proper coverage. The Public Health Engineering Department was requested to take further action to manufacture the slabs and supply them to the panchayats where houses were completed.

There have been a few other difficulties also which slowed down the progress of the scheme. The food crisis in the State distracted the attention of the people to a considerable extent from the construction of the houses to the more immediate need of finding food. An empty stomach is known to be least responsive to construction work. The tussle between Government and the Management of the private colleges had also disturbed the tranquillity of the State. Colleges were kept closed for a long time and there was sharp public reaction both against the college managements and against the Government. Fortunately, some agreement was arrived at and the situation was saved though all these caused some delay to the scheme. Yet another retardation was caused by the widespread N.G.O. strike in the State during February and March 1973. This was the most prolonged strike by Government servants and it affected the efforts in the scheme of One Lakh Housing Scheme rather badly. This has also affected the donation of funds from the employees of Government as the striking employees were not entitled for salary during the strike

period. Thus on the whole, the One Lakh Housing Scheme had to put up with a number of impediments and survive most of them during the first few months of its implementation.

The first batch of three hundred houses which were completed in all respects were formally inaugurated by the Prime Minister, Mrs. Gandhi, on 6th January, 1973 in the Ernakulam District. The presidents of the three panchayats concerned were awarded shields for being pioneers in the State in the matter of completing the houses. The Prime Minister praised this scheme generously and wished all success for its complete implementation. Since then Panchayats have been vying with one another to complete their quota of houses. During April 1973, the President of India, Sri V.V. Giri, was in Kerala for three days and every day he inaugurated 100 houses each in three different panchayats. On an average about 100 houses are being completed every day. But this achievement is still considered insufficient because we have to go a long way to complete 100,000 houses. Hundred houses per day would ensure construction of only 36,500 houses in a year. So the tempo of construction has to be increased further. This will depend to a great extent upon the additional resources which are sought to be made available. The indications are that the scheme is now on even keel and continued attention and care would guarantee its success and completion during the current financial year itself. The Governor of Kerala, Shri N.N. Wanchoo, while inaugurating the distribution of 100 completed houses in the Andoorkonam Panchayat of Trivandrum District on 20th August 1973 declared that the One Lakh Housing Scheme was the most successful developmental scheme of the Kerala Government. He listed four main reasons for the success of the scheme: (1) Massive public cooperation has been won for the scheme, (2) Implementation of the scheme has been highly decentralised to the panchayat level, (3) Exclusive use of local material for the work, and (4) Dedicated service of the officers concerned.

This case study deals with the process of thinking, the decisions made, and the process of implementation in its current form of a massive development scheme of unprecedented magnitude; it is not a postmortem study.

The Birth of the Iron Ore Board : Background and the Problem

C.B. RAU

India is well endowed with the natural resources, particularly minerals. It has often been said that minerals are wasting assets and the conservation and development of these is, therefore, of vital importance. Among the minerals, iron ore is one of the most important and in terms of resources it is next only to coal. The estimated reserves are over 10,000 million tonnes, consisting of over 8,000 million tonnes of hematite ($\text{Fe } 2^{\circ}3$) and the balance consisting mainly of magnetite ($\text{Fe } 3^{\circ}4$).

In terms of the world iron ore resources, India ranks 7th and in terms of production 6th, though some of the iron ore rich countries with lesser reserves than India like France produce more than India.

The production of iron ore in 1935 was about 2.35 million tonnes and in 1945 it was around 2.26 million tonnes. In 1947, at the dawn of Independence, iron ore production was about 2.5 million tonnes and it went up to 2.9 million tonnes in 1950. By 1955, the production of iron ore in India was about 6.9 million tonnes and rose to 16.5 million tonnes in 1960. From 1960 onwards, the production rose steadily. The 20 million tonnes mark was crossed in 1963 and 25 million tonnes by 1966. By 1970, the production of iron ore in India exceeded 30 million tonnes and it was estimated to be about 34 million tonnes in 1972.

In considering the iron ore resources of India and its production, it is necessary to highlight some important aspects. The iron ore resources of India are relatively of better quality and higher grade than those of many other countries and are also extractable by easier methods. Countries like France, Sweden, U.S.A., U.S.S.R., Canada and China are producing considerable quantities of iron ore of lower grades than those that are being considered as economically exploitable in India. Iron ore in India is extracted entirely by open cast method, unlike in countries like

Sweden, France, etc., where it is developed by underground mining. In other words, India enjoys certain inherent advantages over many of the other iron ore producing countries. These have to be taken full advantage of and the maximum benefit derived therefrom. India should maximise its iron ore production.

Iron ore is produced in India not only for use in the indigenous steel plants, but also for export. Out of a total production of about 33-34 million tonnes, about 23 million tonnes is exported and the rest used internally. Exports of iron ore fetch a foreign exchange of over Rs. 115 crores per annum and it ranks next only perhaps to jute and tea as a major single foreign exchange earner of the country. About 17 to 18 million tonnes of iron ore is exported to Japan alone; of the rest, about 3 to 4 million tonnes is exported to Eastern Europe.

Iron ore occurs in almost every State in India and perhaps in almost every major district of each State. However, the main concentration is in five zones comprising Bellary-Hospet area in Mysore (hematite), Barajamda-Banaspani area in Bihar-Orissa (hematite), Bailadila-Rowghat in Madhya Pradesh (hematite), Goa (hematite) and the Western Ghats (magnetite). The iron ore that is produced in India and used either internally or for export is at present of the hematite variety. This is largely because of the fact that low grade magnetite of the type that occurs in India cannot be used directly in the blast furnaces; it has to be upgraded by suitable methods of beneficiation. However, as mentioned earlier, the low grade magnetite reserves are already being exploited in several other countries. Even low grade hematite reserves with an iron content of about 30-40 per cent are also being exploited and used in countries like Canada (Taconites), U.S.A. and Brazil (Itabirites). These reserves in India are estimated to run into billions of tonnes. The iron ore resources of the country would therefore have to be viewed not only in terms of what is now considered as economically exploitable, but in terms of the potential of its total resources.

The extraction of iron ore in India is done by three different methods, namely, manual mining, semi-mechanised mining and mechanised mining. In manual mining, the iron ore lying on the slopes of the valleys is dug up by hand with picks and broken down into the desired size by hammers. In semi-mechanised mining the ore is extracted by some drilling and blasting with an explosive; the ore, however, is broken up into the required sizes

manually. In mechanised mining, the entire operation of drilling, blasting, crushing and screening is done mechanically by the deployment of large-sized mining equipment, crushers, etc.

Since Independence, the responsibility for the development of the national iron ore resources has been with the same Ministry in the Government of India as has been charged with the task of the development of the other mineral resources. The trading in iron ore, including exports, has however, been with the Ministry responsible for exports and imports (Ministry of Foreign Trade/Ministry of Commerce).

In 1970, the Ministry responsible for the development of the iron ore resources of the country was the Ministry of Petroleum and Chemicals and Mines & Metals. In the Ministry, a separate Department called the Department of Mines & Metals was responsible for the regulation, conservation and development of all the mineral resources of the country, including iron ore. The Department was headed by a Secretary to the Government of India with a Minister of State being exclusively in charge of the Department. The entire Ministry was, however, headed by a Cabinet Minister. In the Department of Mines, an officer of the rank of Joint Secretary was directly in-charge of coal and iron ore. There were three or four middle level officers, like Deputy Secretaries and Directors, who were assisting the Joint Secretary. Of these, the major responsibility of one of them was the subject of iron ore.

While India has been well endowed with large, high quality iron ore resources, which are more than adequate to meet the future requirements of the Indian Steel Industry for several decades, it is clear that the nation has not been getting the full benefit of nature's munificence. Its export potential was never realised fully by the Government, nor was the need for the optimum development even for the internal steel industry adequately recognised. It seemed that, given a thrust and direction, it was possible to produce more iron ore at a lesser cost to the economy and also earn larger foreign exchange. What was lacking, among others, was an adequate institutional infrastructure. An organisation with a specific responsibility to oversee the total development conforming to a predetermined pattern, would perhaps have brought better returns to the nation.

During the middle of 1970, a new officer took charge of the

subject of iron ore in the Department of Mines as Deputy Secretary (DS). It took him a couple of months to survey the scene and settle down. The subject of iron ore instantly interested him because of its magnitude, vastness, potential and complexity.

In 1970 the Institutions dealing with iron ore were the National Mineral Development Corporation (the principal public sector producing agency), the Minerals and Metals Trading Corporation (the principal canalised agency for iron ore exports) and the Indian Bureau of Mines (responsible for the regulation and conservation of all minerals). Even though the Department of Mines and Metals was responsible for the entire iron ore sector, it was in fact servicing only the principal public sector producing agency, namely, NMDC. Insofar as the non-NMDC sector was concerned, sole responsibility was assumed by the MMTC. Such a situation had developed partly because of the relative passivity of Department of Mines and largely because of the personalities that were directing the affairs of the MMTC. In other words, the Department of Mines was only servicing about 14 per cent of the production of iron ore which constituted about 24 per cent of the exports; this was so as the contribution of NMDC was limited to that extent. An additional reason for the position that persisted till then was the fact that there was no agency at the field/executive level to collect all the facts and advise the Department. The Indian Bureau of Mines was unable to fulfil the role for a variety of reasons, particularly because of the fact that it was responsible for the entire mineral sector (except coal) and also because of the fact that the Indian Bureau of Mines was headquartered at Nagpur. However, valuable and useful the IBM was, it would be unable to service the requirements of the entire iron ore sector, which consisted not only of production and exports, but also of the creation and coordination of infrastructure. The responsibilities of the then extant organisations were not only diffused but also disparate and each was trying to fulfil its limited role which often was not necessarily conforming to the national interest. To illustrate, MMTC was exporting very high quality iron ore of 68-69 Fe as it was fetching a higher unitage in foreign exchange. Insofar as MMTC as a commercial organisation was concerned, it was entirely unexceptionable and legitimate to seek to maximise its foreign exchange earnings and profitability. But it was not necessarily so—in fact it was not so—for the country. As

far as the nation was concerned, its interests clearly lay in maximising the total exports of iron ore and blending the super-high-grade ore with slightly inferior ore (60-62% Fe) and utilising internally the blended ore about 64-65% Fe. Herein lies a typical contradiction between the corporate interest and the national need. Similarly, the steel plants were concerned with getting the "best" ore even if it meant developing the deposits in isolation. In the event, the steel plants were not even able to obtain ore of the required quality from their captive mines. While the high-grade reserves were exploited, no attention was paid to the lower grade reserves; nor was there any planned long programme or geography pattern of development.

At that time every major commodity, either for internal use or for exports, was serviced by a central agency. For example, the jute industry was looked after by the Jute Commissioner, the tea industry had the Tea Board; Coffee Board for coffee; Coal Board and Coal Controller for coal, not to speak of other agencies like Coir Board, Rubber Board, etc. Iron ore was singularly conspicuous by the absence of any specialised central agency either in an executive or advisory capacity. MMTC had, no doubt, filled the role ably, but in its very nature, being a commercial organisation, it had its own limitations. In the absence of such an agency, the development of the iron ore resources of the country seemed haphazard, *ad hoc* and even lopsided. The steel industry developed its own captive resources and was largely content with whatever these produced. For export purposes, separate deposits were developed in isolation. On the other hand, the iron ore reserves of the country were concentrated in four zones, and, by their very configuration, were ideally suitable for development in an integrated manner. It seemed as if the sources of supply of iron ore to steel plants and export were 'islands' unto themselves.

Even attempts to produce integrated development plans of the major iron ore zones were not on the anvil and neither were there any long term plans or projections of the production of iron ore. And there was a complete dearth of knowledge of facts about 2/3rds of iron ore production controlled by the private sector. There was greater knowledge about the internal demand and international trends than about the production possibilities within the country. MMTC was the most knowledgeable, but it suited it often to say that they were not concerned with production, but

only about exports and that these could be stepped up if availability could be guaranteed by the Department of Mines. As far as the latter was concerned, it was even seriously mentioned that private sector was not its business. This was more in the nature of the Department's defensive reaction to its deficiency than any assertion of conviction.

It seemed necessary that the Government should have the benefit of the advice of an independent agency, not concerned either only with exports or only with steel plants motivated essentially with what is best for the nation's good in the development of the iron ore resources. Considering the largeness of the iron ore resources of the country (next only to coal), the growing needs of the Indian Steel Industry and its export potential, a separate institution to act as a "brains trust" of the Government seemed to be justified. Based on these factors, the DS came to the conclusion that the constitution of a separate agency responsible for the development of the nation's iron ore resources was an imperative need.

AN APPROACH

The DS prepared a note and submitted the same to his Joint Secretary and Secretary. The note detailed the facts of the iron ore industry as it stood then, the targets and tasks ahead, the organisational inadequacies in the public sector and suggested the constitution of an independent agency at the level of a head of the Department. It was stated that its organisational composition and institutional nexus were matters of detail which could be looked into if there was agreement in principle. The Fourth Plan target of production of iron ore of about 53 million tonnes, consisting of about 31 million tonnes for exports, seemed even then to be a distant possibility, largely because—as it seemed then—of the delays in the development of the port facilities, like the Vizag and Madras Outer Harbours. The note added that nobody seemed to know at that point of time as to what would be the feasible production capacity by the end of Fourth Plan and that no one seemed to be in a position to make any accurate assessment of it; the IBM, which perhaps could do so was enmeshed in the totality of the mineral sector. As another instance of the inadequacies in the iron ore sector, the note pointed out the fact that while the

Geological Survey of India estimated the iron ore reserves to be about 23,000 million tonnes, the Indian Bureau of Mines assessed them to be only about 9,000 million tonnes. It was high time to create a focal point with sufficient knowledge and expertise to effectively coordinate the various agencies involved in the effort of production and exports.

The Secretary was in general agreement with the proposal, in the note but, however, suggested, that in view of the emphasis on economy and the ban on the creation of new agencies/new posts, it might be better to make a beginning by creating an additional post of Mining Engineer in the Department of Mines to exclusively look after the iron ore industry. The DS then submitted a note on the agreed lines to the Ministers and after it was approved by them, it was sent to the Ministry of Finance for its concurrence. The Ministry of Finance, however, did not agree to the creation of a separate post of Mining Engineer as the Department had already three Mining Engineers and it was felt by them that the work on iron ore front in the Ministry could as well be looked after by one of them.

Finance's disapproval of the creation of a new post in the Ministry augured well for the creation of an independent field agency. The very rationale of the proposal was that the Ministry cannot fill the gap that existed in the iron ore sector. The issue was raised again at one of the Weekly Staff Meetings taken by the Secretary and it was pointed out that in view of the refusal of the Ministry of Finance to create a new post, the proposal had to be looked into afresh. The Secretary then desired that the matter be discussed by the Financial Adviser of the Ministry with the Joint Secretary and DS. When DS raised the question of the 'Iron Ore Board' (IOB), the Secretary agreed that the matter be placed before the Secretaries' Committee on Iron Ore Exports. He immediately prepared a detailed note to the Secretaries' Committee on Iron Ore Exports and submitted the same for the approval of Secretary and the Ministers. The Chief Technical Adviser of the Department of Mines also broadly supported the proposal as contained in the note to Secretaries' Committee on Iron Ore Exports. The proposal was also approved by the Ministers.

In the meanwhile there had been a change among the Ministers. A new and a dynamic Cabinet Minister had taken over the

Ministry of Steel and Mines. The note for Secretaries' Committee as prepared by the DS was approved by them in August 1971, though 8 months after the original proposal was made.

The note for the Secretaries' Committee began with a review of the status of iron ore industry as it stood then (about 300 operating iron ore mines, estimated resources of about 23,000 million tonnes; 60 per cent of the reserves in the public sector, 60 per cent of the production in the private sector; total production of 30 million tonnes and exports of 20 million tonnes). The note also mentioned that even though India was rich in iron ore resources, it was lagging behind many other countries with lesser reserves like Sweden and France. (France with less than half of India's resources produced over 50 million tonnes in 1959 itself). Australia, which was a non-starter in iron ore exports in 1964, had overtaken India by 1970. The note then detailed the projections of production and exports by the end of Fourth Plan, Fifth Plan and Sixth Plan as then conceived (53 million tonnes of production and 33 million tonnes of exports by 1973-74; 47 million tonnes of exports by 1978-79; 51 million tonnes of exports by 1983-84). It also emphasised the increased iron ore requirements of the Indian Steel Industry in the context of the projections of the growth in the Steel Industry by the end of Fourth, Fifth and Sixth Plans. The estimate was that by 1978-79, iron ore production had to reach a capacity of 77 million tonnes and by 1980-81 about 87 million tonnes, rising to about 140 million tonnes by the end of the century. The various tasks on the iron ore front, not only involving increased production and exports, but also of infrastructure changes in the techniques of mining, the need for an integrated development of the iron ore resources, etc., were emphasised. It recommended that an Iron Ore Board (IOB) should be constituted to fill the 'vacuum' in the iron ore sector. The principal functions of the Board were identified to be: to act as the Chief Adviser to the Government on all aspects of iron ore resources of the country and their balanced development; to ensure the coordinated creation of infrastructure and to constantly liaison with various agencies involved; to speed up the R&D efforts in the iron ore sector, etc. It was suggested that an Iron Ore Act be passed by the Parliament, containing among others, an enabling provision for the levy of a cess, with which a fund could be created, not only to meet the expenditure of the Board but also to finance the effective discharge of the

functions, partly or wholly of the Board.

The comments/views of the Planning Commission, Department of Steel and the Ministry of Finance were called for on the Draft Note for the Secretaries' Committee. The Secretary discussed this matter further with the Financial Adviser and Adviser to the Planning Commission. In the meantime, the Adviser to the Planning Commission was contacted and the *raison d'être* of the proposal was explained in detail to him and his support sought. The Adviser, Planning Commission, readily appreciated the need to create a separate institution to service the iron ore industry, but felt that perhaps a non-statutory agency might do. Simultaneously he discussed this matter in detail with the Deputy Financial Adviser, to whom the matter was referred by the Financial Adviser for his examination. The Adviser to the Planning Commission, the Deputy Financial Adviser and Financial Adviser were convinced of the necessity for the creation of a Board.

The Adviser, Planning Commission, during discussion with the Secretary, while agreeing with the proposal to create an Iron Ore Board, advised that it may be created as a non-statutory agency so that this can be brought into existence within the quickest possible time. He also agreed that the IOB may be created as a Plan Scheme. The Adviser, however, suggested that some of the functions indicated in the Draft Note for the Secretaries' Committee might be altered. These related to the IOB being made directly responsible for research and development work and its taking over the functions of the Indian Bureau of Mines. He suggested that the IOB should not indulge in any R&D work, but only act as a catalyst and coordinator. Simultaneously, he suggested that the IBM be allowed to fulfil its present functions and obligations in regard to iron ore like other minerals and the Board should only act as a coordinator of all the agencies involved including the IBM. This suggestion was agreed to by the Secretary. The note for the Secretaries' Committee was accordingly modified and then communicated to the concerned Ministries for their comments. The revised note for the Secretaries' Committee was issued in January, 1972, which was exactly one year after the proposal was originally made. In the meantime the Ministry of Finance wanted certain clarifications that the Board would not have any overlapping functions with the National Mineral Development Corporation. It was clarified that the National Mineral

Development Corporation was a producing commercial organisation, whereas the Board would be a planning and coordinating agency. In any case, suitable clarifications were given to the satisfaction of the Finance Ministry, after which a finalised note for the Secretaries' Committee was sent.

Before the matter was considered by the Secretaries' Committee, the Ministry of Finance again enquired as to whether there was any overlapping between the functions of the Iron Ore Board and that of the Holding Company for steel industry that was being created. It was clarified that while the Holding Company would be responsible for the functioning of its subsidiaries, including NMDC, and for ensuring the satisfactory growth of the input industries, the Iron Ore Board would be responsible for the entire iron ore sector, including exports, and that while the Board was a commodity agency, the Holding Company was an executive 'Umbrella'.

While the involved process of consulting the concerned Ministries was going on, another unexpected difficulty cropped up. The new Cabinet Minister had approved the proposal being placed before the Secretaries' Committee and it was assumed that it had the Minister's approval. But as it transpired, the Minister (S&M) had not fully applied his mind to it. This surfaced in an indirect manner. The then Planning Minister wrote to MS&M seeking his views on the steps to be taken to implement the plan programme and the deficiencies, if any, that had to be filled in to do so. In preparing a draft note for the Minister's reply about iron ore, a para was added about the proposal to create an Iron Ore Board and the support of the Minister of Planning for the proposal was sought. The Department thought that the proposal would thus not only receive the renewed and specific support of Minister (S&M) but also of the Planning Minister. But the Minister (S&M) wanted to see the file. The file was sent and further action on the note for the Secretaries' Committee was taken on the part files. It was expected that the Minister would quickly return the main file, but it did not happen. Weeks went by, but there were no signs of the return of the file. It became clear that the Minister had perhaps reservations/second thoughts on the proposal. In fact, as revealed later, it was so and the Minister, as was his 'wont', wanted to independently consult one or two experts on iron ore. MS&M referred the proposal to

the Chairman, NMDC, who was the Joint Secretary when the proposal was initially made. Chairman, NMDC, in his letter to PS to Minister supported the proposal to create a new organisation to service the iron ore industry, but felt that a non-statutory organisation might do.

While all this was under way, a Special Assistant to Minister (S&M) had joined the personal staff of the Minister. This officer was of invaluable help in pushing through the programmes of iron ore development. The SA to Minister (S&M) was in agreement with the proposal to create the Iron Ore Board. He, however, mentioned that, there were certain reservations on the proposal within the Personal Staff of the Minister. This was partly because of the major scheme of the Minister to constitute a Holding Company for steel industry, including all the input industries. It was pointed out to the SA that the Holding Company and the Iron Ore Board were complementary and not contradictory. SA then returned the file to the department. There was no fresh endorsement on the file and it bore no evidence of its travails during the past few weeks.

A meeting of the Secretaries' Committee was held on 27th April, 1972, to consider the proposal of the Ministry of Steel & Mines. The meeting was presided over by the Finance Secretary and attended by several other Secretaries. Secretary (Mines) initiated the discussions and explained briefly the background to the proposal and mentioned that the proposal had received the approval of the Ministry of Finance, the Planning Commission and the Ministry of Foreign Trade and the Ministry of Railways. The Chairman quipped that if the proposal was already approved by every body, what was the need then to bring it before the Committee. Secretary explained that it was necessary that the Committee as such should approve before taking the proposal to the Cabinet. Some of the members suggested certain minor modifications to the functions of the Board as enumerated in the note. It was agreed that the detailed functions, set-up, composition, etc., of the Board would be finalised by a small committee consisting of the representatives of the Planning Commission, Ministry of Foreign Trade, Ministry of Finance and Ministry of Steel & Mines.

The Secretaries' Committee approved the creation of the Board as a non-statutory Board, though some members felt that

it was better to make it a statutory one, right from the beginning. It was, however, agreed that the need to convert the Iron Ore Board into a statutory agency should be reviewed after a year or two of the working of the Board. The Committee agreed that the Board might consist of a Chairman and not more than 5 Executive Members, including the Chairman and Member Secretary and that it might also consist of part-time representatives from the related agencies. The Secretaries' Committee agreed that the Department of Mines might finalise the proposal in the light of the decision taken and submit the proposal for consideration of the Cabinet.

The Draft Note for the Cabinet was finalised in the light of the decisions taken at the Secretaries' Committee, and it was circulated to the concerned Ministries, including the Ministry of Finance, Planning Commission, Ministry of Shipping and Transport, Ministry of Railways and Ministry of Foreign Trade for their comments, if any.

As the Draft Cabinet Note was on the lines of the decisions taken at the Secretaries' Committee, it received the approval of all the concerned Ministries. The approval of Minister (S&M) was assumed as he had already approved before placing it before the Secretaries' Committee. The proposal came up for consideration of the Cabinet in June, 1972 and was approved by it.

Following the approval of the Cabinet to the creation of the Iron Ore Board, the Ministry of Steel and Mines constituted a Committee under the chairmanship of Adviser, Planning Commission and the representatives of the Ministry of Foreign Trade, Ministry of Finance and Department of Mines to finalise the details of the structure, composition and functions of the Iron Ore Board. The Committee after detailed discussion recommended that the Board be created as a registered society under the Societies' Registration Act, as this would afford greater operational freedom and flexibility to the Board, particularly in regard to the recruitment of the required talent and also enable it to function as a truly professional agency.

Having decided the structure and functions of the Board, the next step lay in the appointment of the Chairman of the Board. It was realised that this would be a crucial and deciding factor in the success or otherwise of the Board. This was so as the Board, contrary to the original idea had become a non-statutory

agency, without any effective powers and it was felt that in this context the personality and ability of the first Chairman was of crucial importance. The Department prepared a panel of names of three or four, who were considered as suitable for the assignment and who would be able to impart the necessary drive and dynamism to the Board, particularly in the critical period of its infancy. These suggestions were conveyed to the Minister, who appeared to be favourably inclined. The post of the Chairman, Iron Ore Board, was offered to one of the persons who figured in the panel, but it was not acceptable to him, as he considered it to be a 'demotion'. The Minister finally selected for the post a Senior Civil Servant, who was then about to retire.

The Iron Ore Board was registered as a Society under the Societies' Registration Act in the month of January, 1973, which was exactly two years after the proposal was originally initiated.

The founder members of the Board were the Secretary, Department of Steel; Secretary, Ministry of Foreign Trade; Secretary, Ministry of Shipping & Transport; Chairman, MMTC; Chairman, NMDC; and the Chairman-designate, Iron Ore Board and the Joint Secretary, Department of Steel; in-charge of Iron Ore. Later the Finance Secretary was also added as a Member of the Board.

AN ANALYSIS AND A REVIEW

The creation of any new Governmental organisation like the Iron Ore Board at any time is a major event. This is so as there are many agencies within the Government that need to be consulted, their comments and objections tackled, and ultimately the approval of the Cabinet has to be obtained. In the process of consultations with various agencies like the Planning Commission, Ministry of Finance, etc., there can be a high degree of mortality, particularly if major proposals are involved. The structure of bureaucracy of the Government of India is such that it is so very easy to endlessly delay and even negate a major proposal; to do so does not even need the top hierarchy. The Iron Ore Board was conceived in early 1971 and came into existence in early 1973. This was a period of acute financial stringency and the nation went through the traumatic experience of the Indo-Pak War of December, 1971 and the emergence of Bangladesh. There was in fact a

Cabinet decision, during that time, against the creation of any new posts, not to speak of new organisations. There was also a Cabinet ban against the location of any new Government or quasi-Government offices including that of public sector enterprises in Delhi. Notwithstanding these impediments, not only was the Iron Ore Board created, but its headquarters was also located in New Delhi—the matter had to be taken to a Cabinet Committee to approve its location in Delhi.

It has been mentioned that it took two years to get the approval of the Government for the creation of the Iron Ore Board. It is useful to review the time taken at various levels during this period and to identify the procedural aspects. The original proposal was sent to the Secretary (Mines) on January 23, 1971. The proposal was discussed by Secretary (Mines) with DS and the Joint Secretary on February 16, 1971. The approval of the Ministers for the proposal to be taken to the Secretaries' Committee was obtained on August 14, 1971. Finance Ministry and Planning Commission conveyed their approval in principle during early January, 1972. The final note for the Secretaries' Committee was finalised, based on the comments of the concerned Ministries on April 5, 1972. The Secretaries' Committee approved the proposal on April 27, 1972. The Cabinet approved the proposal in early June, 1972. The Iron Ore Board was registered as a Society under the Societies' Registration Act in January, 1973.

It took eight months for the proposal to receive the approval of the concerned Minister and about five months for the approval of the Ministries of Planning and Finance. Another four months was taken in receiving the formal approval and comments of all the concerned Ministries before the proposal was taken to the Secretaries' Committee which met within three weeks of the receipt of the proposal and approved it. The proposal of the Department of Mines was sent to the Cabinet on 1st June, 1972 and Cabinet approved the same on June 7, 1972.

It would be seen from the above analysis that, contrary to the normal belief, the Cabinet approval took the least time, that is, just six days. The Secretaries' Committee too did not fare too badly, and took about three weeks. The maximum time was taken within the Department of Mines itself, *i.e.*, eight months. The next 'ranks' in the time taken went to the Planning

Commission and the Ministry of Finance, *i.e.*, about four months.

It cannot be gainsaid that the consideration and processing of a major proposal of some consequence to an important segment of the economy does need time and careful attention. Considering the period during which this proposal was processed, and the normal procedures involved, it can even be said that the Iron Ore Board got away not too badly. This was largely because of the drive and 'chasing' of the Secretary (Mines) and also due to the support that it received in the hands of the then Adviser, Planning Commission.

There is yet another important aspect that needs to be highlighted. The period January, 1971 to January, 1973 also witnessed the processing and birth of a very major phenomenon and institution, namely, the Steel Authority of India Ltd., a Holding Company, embracing in its ambit all the public sector steel plants and the organisations involved in the production of the input industries. This was the 'brain-child' of the Minister for Steel and Mines and he was wholly engrossed in championing the proposal, getting the approvals of the Cabinet and in constituting it. This proposal was in fact mooted much later than the proposal for the Iron Ore Board, at least eight months later, but both were registered during the same month. Again a proposal like the formation of SAIL would normally have taken much longer than it actually did and this was solely due to the dynamism and untiring efforts of the Minister (Steel & Mines). The Iron Ore Board on the other hand received no active support of the Minister and it was left to the efforts of the Secretary, to push it along. If the proposal had been backed by the active efforts of a person like the then Minister (Steel & Mines), this would not have taken more than six months at the latest. At the same time, it must also be said that the constitution of the Iron Ore Board would perhaps not have been accomplished, if only it did not have a person like the Secretary (Mines) to back it up. This would only show that for any major proposal to succeed in the rarefied echelons of the Government of India, there should be an important functionary or a group of functionaries at top levels to support it and to tirelessly pursue it. In other words, not only for individuals, but also for major proposals there should be a 'God Father'. At the same time, it is necessary on the positive side to emphasise another aspect. That is, given a certain perseverance, it is possible

to achieve results, even within the built-in constraints of the bureaucracy of the Government of India; the actual time taken may however be very much longer than one would wish to. Even in the case of Iron Ore Board it has to be conceded that with greater vigour and perseverance, about six to eight months could perhaps have been saved. But this would have required single-minded and almost full time pursuit and perseverance.

Incentives and Productivity : A Case Study of Port Labour

H.M. SINGH

Government of India, in one of the major ports had two sets of labour on two different rates of payment for identical work. An agreement had been signed with the workers in 1964 for a period of three years. In 1965 part of the work of the Government of India relating to storage was transferred to a Corporation. The port operations, however, remained with the department. The labour in the port remained with Government but in the godowns was transferred to the Corporation. The godowns labour was with the Communist dominated union and the port labour was under the Hind Mazdoor Sabha. Neither of them belonged to the ruling party.

At the end of 1966, the Department entered into an agreement with the labour union (Hind Mazdoor Sabha dominated) in which weekly off, attendance allowance, contributing provident fund and *ex gratia* payment in lieu of bonus was agreed to. The agreement covered both wings of labour, i.e., Port and Godowns. The Communist dominated union was not a party to the agreement.

The labour under the Communist dominated union transferred to the Corporation was being paid Rs. 8 per 100 bags for loading into a covered wagon, whereas for the same wagon to be loaded in the Port area the wages were Rs. 6.90 per hundred. However, the volume of work in the port was many times more than that of the godowns. Take home amount was more for Port labour though the piece rates were low. The Port workers' union in any case took up the cause and wanted their rates to be revised and brought on par with those of the godown workers. The department's plea that there was a subsisting agreement and the rates could not be revised during the period of agreement prevented the union from going to the Labour Court. It did not, however, prevent the Union from taking other steps like go-slow and

outright stoppage of work. The year 1967 saw an unprecedented drought in the country and foodgrain imports were more than doubled. In 1967, when large quantities of foodgrains had to be imported through this port for feeding Bihar, the union out of exasperation resorted to self-imposed restriction of 1,200 bags per gang per shift. This gave the worker their minimum wage under the agreement and the management could do nothing. The tonnage which could be handled under these conditions was restricted to about 50,000 per month. There were 21 gangs working in that particular port. The situation got further aggravated because by the beginning of 1967 under Decasualization agreement, a weekly off had to be given to the workers and this reduced the availability of gangs to 18 per day to be divided into various shifts. The port had the capacity to handle double the quantity in the shape of port labour, docking facilities, wagons, etc. The bottleneck was in the case of labour with the concerned department.

The expedient of hiring temporary additional 500 hands was resorted to. But with voluntary imposition of 1,200 bags per shift the output did not improve at all. This new labour was more or less absorbed in giving the weekly off to the regular workers. Any additional recruitment would have following consequences:

1. The labour being fairly organised employment of more than 240 days in a period of 365 days would have conferred permanency.
2. Labour benefits being decasualised under the newly entered agreement, the costs in the form of weekly off, medical leave, attendance allowance, etc., meant nearly 50 per cent increase in the wages.
3. The increased work load was purely temporary and was not supposed to last for a very long time.
4. Labour could not be recruited for a short period of one or two years.

In the immediate future, even the port work was to go to the Corporation and the department did not want to add on to the labour force and burden the Corporation with additional liabilities.

There was all round unhappiness. The India Supply Mission in Washington wanted the clearance to be stepped up so that they could get better shipping facilities on lower freight rates. The recipient Governments wanted stepping up of clearance to avoid starvation. The Port wanted increased output to facilitate quicker

turn over of ships, better utilisation of their facilities and increased revenue. The railways wanted the loading of the wagons to be stepped up because wagons are a scarce commodity and could not be tied up for an indefinite period. Even the labour concerned wanted higher output to get higher wages.

Any outright increase during the subsisting agreement would have meant a chain reaction all over the country and other labour forces in other ports and godowns would have asked for *ad hoc* increase of the same proportion.

Even *status quo* could not continue because of labour resorting to restricted work load to bring home their point of view. The clamour all round, from port, railways, State Government, etc., was becoming a crescendo making *status quo* impossible.

In May 1967, the Regional Director contacted the labour union and initiated the idea of an incentive rate linked with productivity as a way out. The Union welcomed the concept but differed both on the quantum of the work load being fixed and the revised rate.

A strike had just been called and the union did not want to pursue the matter during the strike period. An appeal to the national cause to prevent starvation in Bihar evoked a reply from the labour union to the effect that their go slow was in exasperation and as a last resort though they professed sympathy for the national cause.

At the end of May, 1967 the Regional Director visited the port and had extensive discussions with the labour union. At that time the position was as shown in Table 1.

TABLE I

Type of work	Rate			Work load		
	Existing	As proposed by R.D.F.	Proposed by Union	Existing	Proposed by R.D.F.	Proposed by Union
1	2	3	4	5	6	7
	Rs.	Rs.	Rs.			
Covered wagons	6.90 per 100 bags above 65 Kgs.	8.00	9.00	1,680	2,500	1,800
Box wagons	10.77	12.00	13.00	1,200	1,800	1,500

In the May meeting the Union President promised to give a reply to the proposals but then the union leader fell sick and did not give any reply.

The differences between the management and the union were on the quantum of work, the rates, conditions and type of work as under:

- (i) In his counter proposals, the Union President referred to the datum of 1,800 bags/1,500 bags shift-wise. He also suggested a proportionate reduction in the datum for II shift as II shift hours were only 6 (from 14.00 hours to 22.00 hours) whereas I shift was for 8 hours (from 08.00 hours to 18.00 hours).
- (ii) As regards the incentive rates, the Union President suggested as follows:
 - (a) For covered wagons Rs. 9 instead of Rs. 8
 - (b) For Box wagons Rs. 13 instead of Rs. 12
- (iii) The Union President in para 3 of his counter proposals submitted that the enhanced incentive rate must be paid to the workers in case where they were unable to reach the quantum of work fixed under the incentive scheme for reasons stated therein.
- (iv) Reference was also made to lorry loading/unloading and wagon loading/unloading of open/N.W.T. wagons in the Union President's counter proposals.
- (v) Rates for bags weighing less than 65 Kgs. have also been suggested by the Union President under the Incentive scheme.

POINTS FOR FURTHER CONSIDERATION

- (i) The rates suggested by the Union President were Re. 1 more than the Regional Director's proposals.
- (ii) Proportionate reduction in the quantum of work for II shift fixed under Incentive scheme may be considered as II shift duration was shorter by 2 hours.
- (iii) New incentive rates to be paid if the datum cannot be achieved for reason beyond the control of workers.
- (iv) Rates for fertiliser and other items to be worked out.

The management wanted 2,500 bags to be loaded in the first shift in a covered wagon, but the union wanted 1,800. The union

demand of rate was Re. 1 more than what the management proposed. Management rates were the same as godown rates for the datum limit. Acceptance of any increased rates would have meant a demand from the godown labour to increase their rates as well. Though the godown labour was with the Corporation, the Corporation came under the same department of the Government of India. The union also wanted that, if for reasons beyond the control of the workers the datum cannot be reached, the incentive should be given. The management wanted these to be specified in the form of non-availability of wagons and cargo one hour before the closure of the shift, inclement weather where loading could not take place. The union suggested a proportionate cut in the datum line for the second and third shifts. The union also wanted similar rates to cover other items of work like fertilisers, gunny bales, lorry loading and miscellaneous items.

The scheme was discussed with the Chairman of the Port Trust and the Dock Labour Board, who welcomed the proposal as it would improve their working as well.

The union leader visited the Regional Headquarters some time later and opportunity was taken to iron out the differences and the agreed datum line was a compromise, as below:

TABLE II

	Shift I	Shift II	Shift III	Rate
<i>Food grains</i>				
(above 65 Kgs.)				
Box wagons	1,800	1,500	1,200	12.00
Open wagons	1,900	1,600	1,400	10.00
Covered wagons	2,000	1,700	1,500	8.00
<i>Fertilisers</i>				
(below 65 Kgs.)				
Box wagons	2,500	2,000	1,800	7.49
Open wagons	2,650	2,150	1,950	6.24
Covered wagons	2,800	2,300	2,100	4.99
<i>Fertilisers :</i>				
(above 65 Kgs.)				
Box Wagons	1,800	1,500	1,200	12.48
Open wagons	1,900	1,600	1,400	10.40
Covered wagons	2,000	1,700	1,500	8.32

With the introduction of three shifts, the working time would be as follows:

I Shift	: 7.30 a.m. to 3.30 p.m.
II Shift	: 3.30 p.m. to 9.30 p.m.
III Shift	: 10.00 p.m. to 4.00 a.m.

This stipulation would not apply if the wagons were not available one hour before the shift was to close or the cargo was not available.

If the above datum was not achieved, the existing rates would continue.

When the cargo and the wagons were available and the workers did not reach the datum line then the existing rates would continue to be paid and therefore it would have meant no change in the payment rates within the currency of the agreement. Nor could this entail extra expenditure to the department for existing level of work output.

The Regional Director, immediately on return to his headquarters, appraised the Government in Delhi about the discussions.

On 1st August 1967, the Union served a strike notice because the scheme had not been introduced.

PART II

Finally, based on the agreement, the scheme was introduced from 7th September 1967 and the agreed rates were introduced.

The Assistant Pay and Accounts Officer who did not form part of the department was requested by the Regional Director to process the bills, in anticipation of Government of India's approval, which came in 29th September 1967. The working of incentive scheme for September-October 1967 revealed the following results. (Table III).

TABLE III

Month	Discharge	Clearance	Wage Bill	Per tonne expenditure
			Rs.	Rs.
September	72,812	78,685	1,33,447.80	1.69
October	82,874	80,086	1,32,228.54	1.65

This compared favourably with the previous situation.

TABLE IV

Month	Total discharge	Total clearance	Wage bill	Expenditure per tonne
1967			Rs.	Rs.
April	17,029	28,052	50,743.35	1.81
May	15,361	17,004	46,884.71	2.75
June	49,849	46,081	18,374.01	1.94
July	28,763	22,785	56,745.09	2.49
August	55,792	51,359	86,891.66	1.69

The occasions on which the workers got the incentive rates without fulfilling the datum are indicated in Table V.

TABLE V

Sl. No.	Reasons for not reaching the datum	Wages payable under settlement rates	Wages paid under incentive scheme	Difference	Percentage of total wages bill
		Rs.	Rs.	Rs.	
1.	Non-availability of wagons	10,086.67	11,200.78	1,114.11	1.00
2.	Non-availability of lorries.	963.11	1,028.36	65.25	0.06
3.	Waste of time of workers due to reasons beyond their control.	4,471.24	4,885.65	414.41	0.37

A study of normal earning under the old scheme and new scheme revealed these facts.

TABLE VI

Month	Earning under old scheme	Earning under incentive scheme
	Rs.	Rs.
September	73,908.01	80,612.57
October	65,090.27	72,957.79

Of course the extra output under the old scheme was just not possible.

The salient features which the review revealed was that the output in September went up by 90 per cent and in October 94 per cent. The increased amount which was paid as incentive over the normal rates in the month of September was 7.6 per cent and in October 13.6 per cent. The cost per tonne however revealed a different story. The cost per tonne in April was Rs. 1.81, in May Rs. 2.75, in June Rs. 1.94 and in July Rs. 2.49. In September and October, it came down to Rs. 1.69 and Rs. 1.65. Further discussions with the union took place in November in pursuance of the strike notice and the union agreed to withdraw their demand for piece rate altogether. They were fully satisfied with the scheme. The scheme has been in operation ever since then. The Government of India also appreciated this scheme and sent a letter to the Joint Director placing on record their appreciation.

Transport Economics A Case Study

H.M. SINGH

A State Government started nationalisation of passenger transport in the metropolitan city with 30 buses in 1947. It expanded over the years by addition of city, district and long distance operations. It made profits for some years, but went on losing after 1964.

It is a well-known fact all over the world that operations of metropolitan transport services are not profitable due to uni-directional peak traffic and low kilometerage use of bus per day due to traffic regulations and congestion. Passenger fares are also kept at a low level to help the city dwellers. In any city, traffic is from residential areas to offices in the morning, but the return journeys are mostly empty. The same story is repeated in the evening and the buses from offices to residential areas are full, but the return journeys empty. Most of the cost on bus operations is fixed in the form of taxes, depreciation, interest charges, workshops. Even the crew-cost for operations spread over 16 hours becomes fixed. The office-goers may be the same but the crew operating the buses in the mornings and evenings has to be different because of labour legislation.

Ever since the inception, the operations in the district services were not on a monopoly basis and had to be on a competitive basis with the private operators functioning within the framework of Motor Vehicles Act 1939. The Motor Vehicles Act has given protection to the private operators and nationalisation laws for transport operations have to be within the framework of this Act. There are lengthy procedures for publishing the schemes, opportunities for the private operators to be heard by statutory authorities and on top of that writ petitions in the High Court have meant parallel operations by both the parties pending disposal of writ petitions. In most of the cases the process of nationalisation from publication of the scheme to the final

disposal by the Supreme Court has taken anything from 5 to 7 years. During all this period, there are parallel operations which are not economical. During the parallel operations, the Courts have not given the freedom to vary terminals, course of the route, etc., and therefore most of the district routes were not profitable and the management, though aware of the facts, could do nothing to rectify them.

In 1959, the Government embarked upon the operation of long distance services with the twin objective of providing services on these routes as well as to make money to offset the losses on the city and district routes. By their very nature these routes were few in number and were getting overwhelmed by the losses sustained by the other two types of operations. Long distance routes were only 70 compared to over 500 in the district and over 200 in the city. Long distance operations were making profit but they could not offset the huge losses incurred on the more numerous operations in the district and the city.

In 1971, the position was that the Department had reached a fleet strength of over 2,000 vehicles and was being run as a Government department and the losses were over Rs. 1 crore. The taxes in that particular State were the highest in the country and the fare rates lowest. With this background in 1971, a major policy reappraisal was done and some steps were taken to re-organise the transport sector in the State.

The city services were taken out from the departmental set-up and organised into a separate corporation. The intention was that the inevitable losses could be localised and measures taken to minimise them. The rest of the transport undertaking was free to show such results as prudent management could produce.

The fares were also revised. But it was followed with increases in Motor Vehicles Tax and wage revisions triggered off by soaring costs. The results in 1972 were not supposed to be very encouraging. The year 1972 also happened to be a year of unprecedented social unrest which hampered the smooth operations of the vehicles off and on throughout the year.

ANALYSIS OF THE SITUATION

At the beginning of 1972, the position was that the residuary department still had around 900 vehicles out of which 250 were on

long distances. As mentioned earlier the district routes were being run on parallel operations under either the directions of the statutory authorities or judicial authorities and therefore there was no scope of revising the timings, kilometrage or variation of the route.

These left the long distance services alone for the management to play with, though these routes basically were profitable, the position was deteriorating fast. At the beginning of 1972, only 47 per cent of the routes and 54 per cent of the services were economical against 63.5 per cent and 68 per cent in June 1971. Annexure I illustrates this point. Though the fare revision promised to set the matter right there was no room for complacency. The fare increase of 28 per cent was expected to result in the loss of occupancy ratio and earning per kilometer. The consumer resistance was felt immediately after fare revision.

Annexure II would give the position of fleet strength, schedules, kilometers per bus, etc. The bus utilisation was 81 per cent and the daily kilometrage per vehicle was around 433 by December 1971 which by all India standards was pretty good. The kilometrage efficiency was as high as 99.5 per cent. However, the margin per service for the first time was showing a deficit even on these service as a whole, the revenue per service being Rs. 410 against expenditure of Rs. 425 by December 1971. The 28 per cent increase certainly would have meant conversion of deficit margin into surplus but the trends were ominous. From June 1971 to December 1971, a surplus margin per service per day had become a deficit margin. In June 1971 average operation was showing a margin of Rs. 56 per day but in December 1971, there was a deficit of Rs. 15 per service per day. The occupancy ratio had dwindled from 87.4 per cent to 70 per cent. Part of this of course was seasonal and traffic was likely to pick up. The long distance operations had also reached a stage where new routes and additional buses were giving diminishing returns.

ANALYSIS OF THE PROBLEM

In this background the problem for the management was how to maximise the utilisation of fleet and ensure that the operations produced economic results, keeping in mind:

- (a) Fares had already been increased and there was no

further scope for revision. The costs, however, were galloping. The wage increase for the staff and the tax increases were keeping pace with the soaring prices of fuel, spares, etc.

- (b) Time tables had already been revised exhaustively by the highest authorities in a three-day conference in which the route-wise revision had taken place in consultation with the line staff and kilometrage per day per bus increased from 412 kilometers to 433. The kilometrage and fleet utilisation were already very favourable compared to All India level of operations.
- (c) Workers were accustomed to certain time schedules and their daily allowance on long distance routes was much more attractive than on the district routes. They were satisfied with the existing levels.
- (d) Public was accustomed to certain terminal facilities on these long distance buses as well as timings.
- (e) Maintenance of these long distance buses was by two sets of staff at two extreme terminal ends. This labour though belonging to the same department had different trade union leaders and was accusing each other of bad maintenance. This problem, however, was not solved by this reorganisation.
- (f) Short round trips were giving the crew better allowances with night halts outside which they were reluctant to forego.
- (g) Maintenance of these vehicles with night halts at places without depots and maintenance facilities was having the following adverse effects:
 - (i) On the maintenance of the vehicles;
 - (ii) On the availability of operational time.

The objective was to improve profitability by:

- (a) Increasing the revenue; and
- (b) Decreasing the cost.

Increase in Revenue : As already explained, fares had been revised by 28 per cent but the revenue growth was not expected to go up accordingly. The other ways were to:

- (a) Increase the number of buses;
- (b) Open new routes.

- (c) Increase the trips; or
- (d) Increase the kilometrage per vehicle.

The first two alternatives required getting extra buses which would have meant additional investment and there was no guarantee that the new buses could be profitably employed. If there were methods to maximise utilisation then those should be tried first in respect of the existing fleet. Therefore, the last two alternatives of increasing the trips with the existing buses and increasing the kilometrage per bus were examined more thoroughly.

In a transport undertaking mere increase in kilometrage or trips does not guarantee revenues unless it is linked up with traffic potential and this means survey of the routes, timings and utilisation of crew, availability of vehicles and improvement of maintenance. An analysis showed that 4 out of 66 routes were working below 300 kilometers per day, 14 between 300 and 350 kilometers, 19 around 400 kilometers, 12 around 450 kilometers, 8 around 500 kilometers, 5 around 550 kilometers and 4 around 600 kilometers.

One set of crew could operate 230 kilometers in their spell of duty of eight hours. Two spells could cover 460 kilometers. In sixteen to eighteen hours of steering duty 600-700 kilometers could be done. The operative costs for 300 and 350 kilometers came around Rs. 1.20 to Rs. 1.15 and for 550 to 600 kilometers the operating costs went down to 90 to 85 paise per kilometer. But all routes between 550 and 600 kilometers did not have the same earning. Few routes even with 300 to 350 kilometers per day were remunerative with their earning per kilometer being as high as Rs. 1.30 to Rs. 1.40 per kilometer, whereas few longer routes of 550 to 600 kilometers were earning as low as Re. 1 per kilometer. In fact one of the routes was running at a loss though the kilometrage done per day was 585. Another route was running 500 kilometers, but its earning was only 70 paise per kilometer. No ready solution therefore was forthcoming in this regard.

As far as the reduction of operating costs was concerned, an analysis showed less variables than in increasing revenues. The operating cost per bus can be divided into 3 segments:

- (i) The first segment is of fixed cost like depreciation, interest charges, taxes which are to be incurred whether the bus is operated or not;

- (ii) Second segment is the block fixed expenditure like operating crew which once employed meant a fixed cost for spells of duty shifts;
- (iii) Third, total variable cost which was directly linked with the kilometers operated like fuel, tyres, spares. Annexure III shows the costing.

A graph was devised to find out the break even costs with all these variables incorporated. The fixed cost being shown with a vertical line and then a moving horizontal line which varied vertically to take care of the block costs and horizontally to take care of the variable costs. A further addition was made with different set of diagonal lines indicating different occupancy ratios. As a result of this exercise the following picture emerged. Longer kilometerage very often gave lower occupancy ratio but proved economical. Very often shorter routes gave very high occupancy ratios but without corresponding financial returns, giving nevertheless a sense of complacency which was not borne out by facts. The graph gave all these variables for single shift, two shift and three shift operations, at different occupancy ratios. Net operating hours available would not be more than 16 hours. Taking the traffic conditions into account, 35 to 40 kilometers per hour is perhaps the optimum. The average speed for these vehicles is between 35 to 40 kilometers per hour and in a working shift of 8 hours, a bus can do around 230 kilometers for the first shift and 460 kilometers in the second shift. Out of the total cost of Rs. 316 per day for one shift operation, the fixed cost was Rs. 210. Break even for one shift of eight hours required over 75 per cent occupancy ratio whereas the break even in the second shift could be obtained at less than 60 per cent occupancy ratio. Third shift break even was around 50 per cent. Putting it the other way, the maximum profit at 100 per cent occupancy ratio with one shift at 231 kilometers operations per day worked out was Rs. 95, i.e., Rs. 411.20 revenue — Rs. 316.00 cost, whereas with 2 shifts operation, it was Rs. 289 per day, i.e., Rs. 739.00 — Rs. 450.00. Crew-wise, a 2 shift operation could go up to 450/460 kilometers a day before a third crew set became necessary.

With the help of this graph broad outlines were obtained which served as guidelines to undertake a management exercise of profitability. With the help of this graph each route was analysed for its occupancy ratio, seasonal variation, the peak and lean

periods while costs remained constant. Throughout the year the earnings fluctuate because of traffic pattern, over which the transport undertakings have no control at all. Very marginal benefits can be derived in staggering the major overhauls and repairs during the lean period. Within these lean periods, chances of large scale variations are very little. Capacity of work shifts, staffing patterns, capital investment, etc., are all pretty inflexible items and are not capable of being varied during lean season and peak season. Therefore, the exercises could yield very little potential.

SUGGESTED SOLUTIONS

The above study revealed that no uniform solution could be made to meet the need of each route. Various possibilities were tried with various routes:

- (a) In some routes the trips were doubled keeping the same terminal ends, keeping the daily kilometrage within 600/700 a day, because beyond this the scheduling would not have been possible as mentioned earlier. This sometimes gave the additional advantage of night halt for the vehicles in the depots for maintenance. Not all routes lent themselves to the doubling solution because the traffic and the timing were not favourable.
- (b) The second variation was to extend the routes to the next major town provided the occupancy ratio, traffic potential and timings permitted this.
- (c) The third solution was to merge one or two routes and straighten them. This solution gave excellent additional advantage of giving extra kilometrage for each running vehicle and released some buses which could be put on new routes or for augmentation. Some of the routes of course defied any of the solutions and had to be left as they were.

The idea with the brief revised alignment and deployment of buses was discussed with the previous Director who was holding a different post but was available in the same building. The previous Director took two days to study and understand and give his comments which were favourable. Action thereafter was initiated in the form of a note by the Director on February 10,

1972. Comments of the Joint Director, Operations and Chief Engineer, Maintenance were invited who suggested changes of certain vehicles and deployment of crew from outstation depots instead of headquarters depot.

Ten thousand Post Cards reproduced below were issued to the public to elicit their comments.

"In order to go to Nagercoil from Madras directly integration of the following routes has been made:

Madras to Trichi

Trichi to Nagercoil

Madras to Madurai

Madurai to Nagercoil

Passengers are requested to give their comments in regard to the conveniences/inconveniences in travelling by these routes:

1. Whether the travelling time schedules
(arrival and departure) is correct? Yes/No
2. Whether the time and places for taking food
is suitable Yes/No
3. Whether the seats are comfortable Yes/No

In addition to the above, if there are any suggestions, please record them in the 'Suggestions Book' available in the bus. (Please hand over this card to the conductor.)"

The route was implemented from 16th February. A review was done in April. In the April review, the Assistant Director, Operations, brought out the fact that out of the 10 services 2 were not productive and would need a deviation to touch a particular place on the way. This was incorporated and the route modified.

One hundred forty nine persons responded to the cards and gave their comments as given below:

	Yes	No
1. Whether the travelling time schedules (arrival and departure) is correct	145	4
2. Whether the time and place for taking food is suitable	20	129
3. Whether the seats are comfortable	10	139

Since 139 had complained against the seats the same were modified. The other complaints about toilet, water facilities and taking food at bus stands *en route* was taken up for rectification in a phased basis.

As soon as the routes were introduced the unions representing the staff also gave their comments and the same were discussed with their representatives. Alterations, modifications, etc., which related chiefly to the night halt and the facilities of the crew to visit headquarters were accommodated to the extent possible.

This was followed up by calling for the report of earning of the revised route in the month of May and having found it satisfactory the route was allowed to continue.

A further review was done in May. It was found out that all the 10 services were working satisfactorily. In another route action was initiated for merger and extension based on the information given by the Operation Branch in March 1972 and the revised routes were brought into operation from April. Here again the comments of the Joint Director, Chief Engineer and the Assistant Director, Operations were taken. In this particular route the crew of mid-stations were having the advantage of visiting headquarters which they were losing in the revised set-up. Arrangements were made to provide them with an alternative so that they could have the facility of visiting headquarters. The revised routes were reviewed every month and the review notes issued to the subordinate officers to get their comments and suggestions for improvement. The subsequent changes came out of the discussions held every month in the office of the Director wherein the outstation Joint Directors were also invited. The Director also visited the regional offices of the Joint Directors and reviewed the routes with the operating staff of those depots, inviting the operating staff to participate in the discussions. The tentative time tables with revised schedules and alignments were given to Officers, their comments obtained and implemented. In the month of September, a meeting was taken by the Minister for Transport in which all the Joint Directors, the Chief Engineer and the Director participated and the statistics of the routes revised and not-revised were processed and modifications done in the light of the information revealed. The whole process took over one year for implementation.

In all these situations the reaction of the public and operating crew had also to be kept in mind. Public reactions were instant and vociferous. Public prefers to have starting facilities for their vehicles from their stations to give them certainty of a seat as well as more time for boarding and alighting whereas in a through bus

there are few facilities for advance booking *en route* and therefore there is neither certainty of a seat nor plenty of time for boarding and alighting. Of course some of the timings got changed. To get over these with the introduction of the revised timings, cards were distributed to the passengers to elicit their reaction on major points like timing, terminal facilities, through connections, etc., and these comments and views were taken into account in subsequent modification of timings to suit convenience of the public.

The operative crew felt in the case of second and third solutions that their duty hours were being increased and they were being asked to put in extra work. They also felt that this might lead to staff being found surplus and may mean either retrenchment or the reduction of intake of new staff. These points were taken into consideration and the operating crew were compensated for their longer hours by giving extra allowance linked up with the kilometerage done. As far as fears of being found surplus, it was explained that it was groundless. Since the buses were put to more intensive use more crew was needed for those extra operations. Incidentally this gave in many cases better terminal facilities for night halt than before. It is to the credit of the crew that they gave whole hearted cooperation and the success of the operations is mainly due to that.

The maintenance staff's story was different. They found that the time available with them for the maintenance of the vehicles was getting reduced and the vehicles required more attention because of more intensive wear and tear. It also meant procuring more of spares and consumable stores. However, the staff rose to the occasion without making an issue out of this. A separate scheme was later on devised to give them incentives. But it forms part of another exercise.

ANALYSIS OF DOUBLE TRIPS

The table on page 107 which was prepared for guidance gives a very interesting story. At 300 kilometers operations per day the revenue per kilometer was as high as Rs. 1.65 whereas when the operations were increased to 700 kilometers the revenue dropped down to Rs. 1.09. But the margin per service with this diminished return went up from Rs. 145 per bus per day to Rs. 222, because the

cost per kilometer came down from Rs. 1.20 to 79 paise per kilometer. The high earning per kilometer was no guarantee of profits. Earning per kilometer fluctuated between Rs. 1.09 to nearly Rs. 1.80. The same earning per kilometer at different kilometers per day operations gave different margins. For instance, Rs. 1.05 earning per kilometer at 363 kilometers per day gave a loss of 3 paise per kilometer whereas the same Rs. 1.05 earning per kilometer at 500 kilometers gave a surplus margin of 14 paise per kilometer. Cost per kilometer, however, came down uniformly without any variation and this seem to be the key to the changes effected.

TABLE I-A

K.M.	C.P. KM.	R.P. KM.	R.P.S.	C.P.S.	Margin per Service
1	2	3	4	5	6
	Rs.	Rs.	Rs.	Rs.	Rs.
<i>June 1972</i>					
250	1.36	1.30	326	341	-15
300	1.20	1.65	511	366	145
300-350	1.12	1.40	494	387	107
350-400	1.02	1.50	589	415	174
400-450	0.97	1.22	556	436	120
450-500	0.90	1.15	577	456	121
546	0.86	1.09	596	477	119
588	0.84	1.45	854	496	358
632	0.80	1.27	804	526	278
682	0.79	1.09	1,029	540	489
712	0.78	1.09	776	554	222

TABLE I-B

K.M.	C.P. KM.	R.P. KM.	R.P.S.	C.P.S.	Margin per Service
1	2	3	4	5	6
	Rs	Rs.	Rs.	Rs.	Rs.
<i>1971</i>					
(300 and below ceased to exist)					
328	1.15	1.62	533.00	377.00	156.00
351	1.10	1.66	584.00	387.00	197.00
410	1.01	1.39	570.00	415.00	155.00
456	0.97	1.41	634.00	436.00	198.00
498	1.11	1.32	655.00	455.00	200.00
546	0.87	1.30	712.00	477.00	235.00
588	0.84	1.54	907.00	496.00	411.00
650	0.81	1.37	891.00	526.00	365.00
682	0.79	1.53	1,044.00	541.00	503.00
712	0.78	1.25	893.00	554.00	339.00

Note : For all studies June and September months were taken representing peak and lean periods.

C.P.KM. : Cost Per Kilometer.

R.P.KM. : Revenue Per Kilometer.

R.P.S. : Revenue Per Service.

C.P.S. : Cost Per Service.

Cost has been taken as constant for 1971-1972-1973.

Some studies of routes where doubling up of the trips was done revealed an interesting story. The fact was that revenue per kilometer had gone down from Rs. 1.30 to Rs. 1.25 but the cost went still further down from Rs. 1.14 per kilometer to 80 paise and the difference of 45 paise was available over an operating kilometerage of 662 against 16 paise per 331 kilometers. Similar result was seen in another route where the kilometerage per day was 360 and was subsequently doubled to 720.

TABLE II

K.M.		O.R.	R.P.S.	C.P.S.	Margin per Service
			Rs.	Rs.	Rs.
<i>Route A</i>					
6/71	331	65%	428.00	378.00	50.00
(with presumed		28% increase)	548.00		170.00
6/72	662	59%	829.00	530.00	299.00

Note : No extra staff was employed for the purpose of doubling up of the kilometrage, or reorganisation.

O.R. : Occupancy Ratio.

TABLE III

K.M.		O.R.	R.P.S.	C.P.S.	Margin per Service
			Rs.	Rs.	Rs.
6/71	360	90%	476.00	392.00	84.00
(with 28% presumed increase			613.00		221.00
6/72	720	80%	1,048.00	557.00	491.00

This result was uniform wherever the trips were increased. In another route where the increase in trip took longer time because of inter-State agreements the story was like this:

The revenue before the revision of routes for a route kilometrage of 304 per service was Rs. 374 and the cost per service was Rs. 366; the corresponding month in the year following the revision, the revenue went up to Rs. 511. But in the subsequent year when the route kilometrage had been increased to 456 the revenue went up to Rs. 634. The cost jumped from Rs. 366 to Rs. 436. After the fare revision, where the kilometrage had not been increased the margin with full impact of fare revision was Rs. 145 per bus per day. But with the increased kilometrage the margin was Rs. 198 after giving full allowance for the additional cost for extra kilometrage. The table on page 110 gives the picture.

The second study where the kilometrage had merely been extended and the vehicles taken to the next workable terminal point, the picture which emerged was as given in Table V.

The cost per service has been taken as constant for the three years for purposes of ready comparison.

TABLE IV

Month	K.M.	R.P.S.	C.P.S.	Margin per Service
		Rs.	Rs.	Rs.
<i>Route A :</i>				
6/71	304	374	366	8
6/72	304	511	366	145
6/73	456	634	436	198
9/71	304	373	366	7
9/72	304	480	366	114
9/73	456	587	436	151
<i>Route B :</i>				
6/71	304	376	366	10
6/72	304	515	366	149
6/73	456	596	436	160
9/71	304	371	366	5
9/72	304	492	366	126
9/73	456	467	436	31

Three route workings disclosed that even though the earning per kilometer had gone down with the increased kilometerage the margin per service was going up because of the reduced costs.

The third experiment was the most rewarding, where routes had been merged and surplus buses put on either additional routes or new routes. The gratifying part in this was that the original routes where buses had been reduced suffered no loss of revenue at all as would be evident from Table VI.

A bus which was giving Rs. 562 a day before reorganisation gave Rs. 1,045 per day after reorganisation on the new route. The revenue per kilometer uniformly went up to Rs. 1.53 and the cost came down to 79 paise from 81 paise to Rs. 1.09 per kilometer in the original routes. In the first experiment four buses were released for duty elsewhere. Out of the 32 buses, 12 were retained

TABLE V

Month	K.M.	Actual R.P.S. 71	R.P.S. with 28% presumed increase over 71	Actual R.P.S.	C.P.S.	Margin per Service
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
<i>Route A :</i>						
6/71	363	382	490	—	393	97
6/72	577			577	456	121
9/71	363	331	424		393	31
9/72	500			647	456	191
<i>Route B :</i>						
6/71	331	428	548		378	170
6/72	662			829	530	299
6/73	766					
9/71	331	384	491		378	113
9/72	662			638	531	107
<i>Route C :</i>						
6/71	360	476	609		392	217
6/72				901		
6/73	720			1048	557	491
9/71	360	490	627		392	235
9/72	720			1064	557	507
9/73	720			921	557	464

in their original routes, 16 were realigned with the higher kilometerage and 4 became available for duty elsewhere. In the second experiment out of 10 buses available, 4 only were retained on the original routes and 6 were put on the realigned route with longer kilometerage as can be seen from Table VI. In the IIIrd experiment 2 buses were merged with new route and the kilometerage increased from 468 to 530.

Experiment No. 2

*6/71	644	1037	822	515		6/72	652	864	526	338
*9/71	644	909	522	387		9/72	652	913	526	387
+9/71	322	254	374	-120		6/73	652	910	526	384
6/71	465	581	440	141		9/73	652	813	526	287
9/71	465	575	440	135		6/72	960	1147	668	479
6/71	325	484	376	108		9/72	960	1179	668	511
9/71	524	477	476	9		6/73	480	711	447	264
						9/73	480	642	447	195
						6/72	558	872	496	376
						9/72	588	792	496	296
						6/73	588	967	496	461
						9/73	588	910	496	414

Experiment No. 3

[illegible]

*Double Decker not applicable. Withdrawn later on.

+Route did not exist.

The picture, however, where the kilometrage had not been increased, is different as would be evident from Table VII.

Even with the 28 per cent increase, the uneconomic short routes remained uneconomic. A route of 270 kilometers had Rs. 320 revenue per service in June 1971 went up to Rs. 326 in June 1972, showing an increase of only 2 per cent against the anticipated 28 per cent fare increase.

An exhaustive study of 15 routes where the kilometrage remained constant is enclosed as Annexure III which shows that the 28 per cent increase never materialised.

TABLE VII
ILLUSTRATION OF THREE ROUTES WHERE NO ALTERATION OF
KILOMETERAGE WERE DONE

Month	K.M.	R.P.S. before revision	R.P.S. with presumed 28 % increase	Actual R.P.S.
(1)				
6/71	360	542	693	
6/72	360			617
6/73	360			610
9/71	360	483	620	
9/72	360			546
9/73	360			603
(2)				
6/71	510	584	752	
6/72	510			600
6/73	510			612
9/71	510	531	680	
9/72	610			677
9/73	510			597
(3)				
6/71	322	433	554	
6/72	322			456
6/73	322			484
9/71	322	326	417	
9/72	322			449
9/73	322			423

The earning per service after reorganisation showed the following trend :

TABLE VIII

K.M. per day per bus	Month	R.P.S.	R.P.S. with 28% increase over 71	R.P.S. 72	R.P.S. 73	Extra Revenue per day
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
414	June	472	604			—
479	"			657		53
499	"				719	115
405	September	452	579			—
487	"			659		80
800	"				673	94

Even the earning per kilometer for different kilometerage per day gave different percentage of increase over 1971 as per the Table IX.

TABLE IX

K.M.	June 1971		June 1972		June 1973	
	Actual R.P. KM.	With 28% presumed R.P.KM	R.P. KM	Percentage of increase over actual R.P.KM. 71	R.P. KM.	Percentage of increase over actual R.P.KM. 71
	Rs.	Rs.	Rs.		Rs.	
270	1.18	1.51	1.21	2		
328	1.16	1.48	1.49	28	1.63	40
351	0.99	1.26	1.41	42	1.66	68
410	1.29	1.65	1.44	12	1.45	12
456	1.23	1.57	1.36	11	1.39	13
498	0.94	1.20	1.36	45	1.53	63
546	0.75	0.96	1.09	45	1.41	88
588	0.80	1.02	1.45	81	1.54	90
650	} did not exist		1.24		1.37	10% over 72
682			1.09		1.53	40% over 72
712			1.09		1.25	15% over 72

Due to the revision mainly, the additional revenue per day in June 1972 was around Rs. 10,000. It went up to nearly Rs. 37,000 per day in December 1973. Even the lean months showed an increase of Rs. 16,000 per day in September 1972 to Rs. 19,000 per day in September 1973.

TABLE X
(Based on Table IX)

Month	No. of Services	Extra revenue per service over presumed 28% increase	Total extra revenue
1	2	3	4
		Rs.	Rs.
June 1972	204	53	10,812
June 1973	204	115	23,460
Sept. 1972	204	80	16,320
Sept. 1973	204	94	19,176
Dec. 1973	204	181	36,924

Note : For the calculations, number of services have been taken as constant.

This revision also found that the number of economic routes and services had improved from 53 per cent to 95 per cent and 46 per cent to 94 per cent as will be evident from Annexure I.

All this is computed on the assumption that the 28 per cent increase in fare resulted in 28 per cent extra revenue. This assumption, of course, is not correct, as is evident from Annexure IV.

Extra revenue generated from additional services or additional routes has not been taken into account in this study.

It is not a closed chapter. Changes and revision are a continuing element of management exercise. Contrary to popular belief, it proved that a full bus is no guarantee of profitable operation. The key to economic operation is the kilometerage operation per day per bus and not the occupancy ratio. At 700 kilometers per bus per day occupancy ratio required to break even

is only 46 per cent against 75 per cent required to break even at 250 kilometers per day.

A monthly review of these routes with break even point was initiated to get feed back information. This serves even today as the basis of revision and improvement.

ANNEXURE I

ECONOMIC ASPECT OF ROUTES AND SERVICES

Month	Economic number of		Uneconomic number of	
	Routes & Percentage	Services & Percentage	Routes & Percentage	Services & Percentage
1	2	3	4	5
6/71	40 63.5	103 68	23 36.5	48 32
9/71	31 47	83 54	35 53	72 46
6/72	64 85	176 88	11 15	23 12
9/72	76 92	211 96	7 8	9 4
6/73	73 87	201 92	11 13	17 8
9/73	80 95	218 94	4 5	15 6

ANNEXURE II

Details	June 1971	September 1971	June 1972	September 1972	June 1973	September 1973
1	2	3	4	5	6	7
1. Fleet strength	199	199	248	264	264	280
2. Schedules	151	155	199	220	218	233
3. Bus Utilisation in per cent	76	77.8	80.3	83.2	82.6	83.2
4. Number of routes	63	66	75	83	84	84
5. Vehicle Utilisation in Kilometers (Average bus K.M. per day).	414	405	479	487	499	500
6. Occupancy ratio	87.4	84.4	76.7	75.3	80.3	66.5
7. (a) Average revenue per service (b) Presumed revenue per service with 28% fare increase	472	452	657	659	719	673
8. Cost per service	416	412	446	450	456	456

1

7

6

5

4

3

2

9. (a) Average margin per service per day
(b) Presumed margin per service with
28% fare increase

217
167

263
188

209
167

211
188

40

56

10. (a) Average revenue per Kilometer
(b) Presumed revenue per Kilometer
with 28% fare increase

1.34
1.41

1.44
1.47

1.36
1.41

1.39
1.47

1.10

1.15

11. Average cost per Kilometer

0.91

0.91

0.92

0.93

1.02

1.01

12. (a) Margin per Kilometer

0.43

0.53

0.44

0.46

0.08

0.14

(b) Presumed margin per Kilometer with
28% fare increase

0.36

0.46

0.39

0.46

Note : June and September months have been chosen as they represent peak and lean period operational trends.

ANNEXURE III

Fixed Cost

	Rs.
1. M.V. Tax and Licence Fees	36.70
2. Passenger Tax 1952	12.23
3. Establishment charges	66.00
4. Depreciation	60.00
5. Interest on capital	27.00
Total	<u>201.93</u>

Variable Cost Per Kilometer

	Paise
1. Fuel	22
2. Tyres and tubes	17
3. Repairs and Servicing	7
Total	<u>46</u>

Batta to the Traffic Crew

	Rs.
1st Shift	8.00
2nd Shift	16.00
3rd Shift	16.00

ANNEXURE IV

REVENUE ASPECT OF ROUTES WHEREIN VEHICLE UTILISATION IS
CONSTANT IN 1972-73 WHEN COMPARED TO 1971

Month	K.M.	R.P.S.	With 28 % presumed increased R.P.S.	R.P.K.M.	With 28 % presumed increased R.P.K.M.
1	2	3	4	5	6
6/71	360	542		1.50	
9/71	360	483		1.34	
6/72	360	617	693	1.71	2.18
9/72	360	546	620	1.52	1.95
6/73	360	610	693	1.69	2.16
9/73	360	603	620	1.68	2.15
9/71	644	909		1.41	
6/72	644	984	1259	1.53	1.96
9/72	644	844	1080	1.31	1.68
6/73	644	821	1051	1.27	1.63
9/73	644	653	836	1.01	1.29
6/71	510	584		1.15	
9/71	510	531		1.04	
6/72	510	600	768	1.18	1.51
9/72	510	677	867	1.33	1.70
6/73	510	612	795	1.20	1.52
9/73	510	597	764	1.17	1.50
6/71	328	381		1.16	
9/71	328	404		1.23	
6/72	328	489	626	1.49	1.90
9/72	328	524	671	1.60	2.05
6/73	328	533	682	1.63	2.09
9/73	328	326	417	0.99	1.27
6/71	322	343		1.07	
9/71	322	326		1.01	
6/72	322	456	584	1.42	1.82
9/72	322	449	575	1.39	1.78
6/73	322	484	620	1.50	1.92
9/73	322	423	541	1.31	1.68
6/71	410	550		1.34	
9/71	410	467		1.14	
6/72	410	596	763	1.45	1.86
9/72	410	590	755	1.44	1.85
6/73	410	582	745	1.42	1.82

1	2	3	4	5	6
9/73	410	557	713	1.36	1.74
6/71	357	354		0.99	
9/71	357	416		1.16	
6/72	357	529	577	1.48	1.89
9/72	357	501	641	1.40	1.79
6/73	357	519	664	1.45	1.86
9/73	357	587	751	1.64	2.10
6/71	412	512		1.24	
9/71	412	491		1.19	
6/72	412	662	847	1.61	2.06
9/72	412	666	852	1.62	2.07
6/73	412	666	852	1.62	2.07
9/73	412	634	812	1.54	1.97
6/71	460	611		1.33	
9/71	460	552		1.20	
6/72	460	589	754	1.28	1.64
9/72	460	511	654	1.11	1.42
6/73	460	547	700	1.19	1.52
9/73	460	676	865	1.47	1.88
6/71	410	475		1.16	
9/71	410	254		0.62	
6/72	410	429	549	1.05	1.34
9/72	410	540	691	1.32	1.69
6/73	410	523	669	1.28	1.64
9/73	410	572	732	1.40	1.79
6/71	363	427		1.18	
9/71	363	375		1.03	
6/72	363	330	422	0.91	1.16
9/72	363	504	645	1.39	1.78
6/73	363	530	678	1.46	1.87
9/73	363	512	655	1.41	1.80
6/71	460	559		1.22	
9/71	460	536		1.17	
6/72	460	752	863	1.63	2.09
9/72	460	717	918	1.56	2.02
6/73	460	742	950	1.61	2.06
9/73	460	712	911	1.55	1.98
6/71	464	521		1.12	
9/71	464	636		1.37	
6/72	462	542	694	1.17	1.50
9/72	464	593	758	1.28	1.64
6/73	464	581	743	1.25	1.60
9/73	464	647	828	1.39	1.78

The Appointment of a Liaison Agency by a Public Body

S.M.Y. SASTRY

In 1971, the Chief Engineer of the Sunder Nagar Municipal Corporation found that the progress of construction works undertaken by the Corporation was very unsatisfactory. Some of the works had almost come to a stop while in many other cases, the pace was very much slowed down. He found that this was the situation both in respect of works being carried out departmentally as also those which were to be executed through contractors. He held urgent meetings with the field officers who were in charge of the constructions. He also called the contractors. Reviewing the position he made it clear that the pace of construction must immediately improve. If not, he threatened, that the contractors would be penalised; in respect of the departmental works, the officers in charge would be taken to task and their increments would be stopped.

In the discussion it came out that the main cause for the slowing down of the works was that sufficient quantities of steel required were not available and therefore not flowing to the works. Steel was a controlled commodity and its release to various consumers and users was being processed and determined by the Iron and Steel Controller and the Joint Plant Committee. Steel was also available in the open market but the price in the open market recorded in recent months a very steep rise and was almost twice that of the controlled price. For departmental works, steel had to be supplied by the Controller of Stores of the Corporation. He was finding that notwithstanding repeated requests and reminders, releases from the controlled quota were not forthcoming and he, therefore, had no stocks of steel which he could supply to the works.

As far as works being carried by the contractors was concerned, there was of course no commitment that the steel was to be supplied by the Corporation. It was the responsibility of the contractors

themselves to obtain the necessary steel and carry out the works. There was only a clause in the tender contract that the Corporation might assist the contractor in procuring the steel required. The Chief Engineer therefore made it clear that the plea of non-availability of steel could not be accepted. It was for the contractors to obtain the necessary steel and maintain progress. In the open market steel appeared to be available in plenty and even if the price was higher the contractors must procure and show progress. The contractors replied that the purchase of steel from the open market at exorbitant prices at which it was then available would land them in terrific loss. 'Profit or loss is no concern of ours' pointed out the Chief Engineer. 'You have contracted to do the work at a price and you must carry it out; otherwise, you will have to be penalised and your contracts terminated.' The contractors pointed out that penalty and termination of the contract would put them to lesser loss than carrying out the work procuring steel at such exorbitant cost. The contractors, by and large, indicated that in the circumstances they would prefer the Chief Engineer to terminate their contracts and forfeit their deposits. This left the Chief Engineer in a quandary. Mere termination of contract was no solution. He would have to find new contractors for completing the work. He sounded a number of contractors to find out whether they would be willing to quote to complete the abandoned works. The contractors who were sounded indicated very high rates and some of them even indicated that steel would have to be procured by the Corporation and supplied.

He reported the matter to the Commissioner and apprised him of the crisis they were facing. The Commissioner inquired as to why the Corporation was not getting sufficient releases of steel from the Controller. Was it because requisite applications were not being made in time and properly followed up? He had the matter investigated. Applications were being made in time. Reminders also were being sent from time to time. But there was not sufficient response from the Controller of Iron and Steel.

One of the officers who had been in charge of a Water Supply Project in the past which required large quantities of steel which could be procured through the releases of Controller of Iron and Steel, in a discussion with the Municipal Commissioner pointed out that, from his experience, it was clear that mere applications and reminders were not going to procure steel. The applications

had to be personally followed up at every stage and expedited. He himself had to go to Calcutta a number of times to secure release orders. That was not all. Iron and Steel in required shapes and sizes were not readily available. They had to be manufactured. So the Joint Plant Committee which gave the planning order for manufacture on certain specified mills had to be activated. He, the officer, therefore had even to go to those mills to ensure that the mills took up the manufacture of the quantity under order of release. He found that an officer of the Sunder Nagar Municipal Corporation carried no weight at all either with the office of the Controller of Iron and Steel or with the Joint Plant Committee. In the past he went once along with an officer of the State Government who was an I.A.S. officer. Normal request for an early interview to explain their case did not secure any response until the I.A.S. officer found that one of the Deputy Commissioners was a classmate of his and therefore could meet him at personal level. Things moved smoothly thereafter.

The Municipal Commissioner saw the point. He had served as Industries Commissioner in the State Government prior to his posting as Municipal Commissioner and knew the difficulties of securing steel. Unfortunately, the Municipal Corporation, though considered as the most important of local self-government institutions, was not on any priority list. It was just another institution equated with any private party. Part of the difficulty therefore was the low priority assigned to the Corporation. Securing a higher priority as such for the Corporation was a long and difficult process. In any case, the steel was urgently required. Purchase from the open market appeared to be out of the question.

It was pointed out to the Commissioner that a number of institutions were procuring their steel requirements, entrusting their work to some agents who specialised in this work. Like any other Agency they would charge a commission on the quantum procured through them. If the Corporation also could appoint an Agent or Agency, this would save the Corporation the botheration of sending their officers to go round and pursue with uncertain results. Even sending an officer would involve incurring expenditure: the payment of a commission might on the whole be cheaper. The Municipal Commissioner agreed that the Sunder Nagar Municipal Corporation also should follow this procedure and

that some reliable Liaison Agent/Agency might be selected and the work entrusted to them.

II

The constitution of Sunder Nagar Municipal Corporation prescribed that entering into any contract with any party where the value of the contract exceeds Rs. 3000 should be done only after tenders by public advertisement were invited and if the value exceeded Rs. 15000 the prior approval of the Standing Committee should be obtained. If the expenditure is to spill over the official year in which the contract is to be entered, then a further sanction of the Corporation was to be obtained, not for entering into the contract but for incurring the expenditure beyond the current financial year. The Standing Committee was the most important of the committees of the Corporation: not merely did it deal with all financial matters, but it was the final authority to approve all contracts, whatever be the value, subject only to the further sanction of the Corporation for incurring the expenditure beyond the current official year where such a contingency was envisaged to arise. It consisted of sixteen councillors and the Chairman of the Standing Committee was considered next in importance to the Mayor.

The Commissioner instructed the Chief Engineer to invite tenders by public advertisement for securing a reliable Liaison Agency. The needful accordingly was done and the Commissioner sought the sanction of the Standing Committee to enter into the requisite contract. The letter of the Commissioner to the Standing Committee containing the proposal was as under:

"Of late we have been experiencing a lot of difficulties in procuring steel for our developmental works. Some of the works requiring large quantities of steel are either suspended or their progress slowed down by contractors on this account. In case of recent tenders, a much higher percentage is being quoted by tenderers due to inflating prices and uncertain conditions in the steel market. All this has resulted not only in delayed completion of our important civic projects but also increasing their cost to a large extent.

"Although we have been intimating our requirements to the government and following the procedure laid down in this behalf

for the last one year, our efforts have been far from satisfactory. The procedure laid down in this respect, besides being much complicated, requires close follow up and personal approach at all levels. In the absence of such a machinery with us, as obtaining in the private sector, we suffer a serious handicap. As against the Joint Plant Committee controlled rate of Rs 857 to Rs 957 per tonne for M.S. Round bars, the market rate varies between Rs. 1500 and Rs. 1800 per tonne depending upon the category of steel. Many categories are not obtainable in the open market even at such higher prices. From the discussion with officials of various private enterprises, it appears that if we create an agency to guide our officers and follow up the various stages fixed up in the process we will not only be able to secure our requirements in time but also we will be saving a substantial amount. The liaison work involves various phases, viz.,

- (a) Submitting an indent for requirements of iron and steel to Joint Plant Committee and getting it planned.
- (b) Sending the indent to the main producer for acceptance and issue of sale order to the indenter.
- (c) Submitting requisition for priority allocation to the government.
- (d) Pursuing the main producers for effecting despatches as per the recommendations of the steel priority committee.

All this work cannot be done by any of our office staff and this can be done only by such a person as is well conversant with the persons and procedures dealing with these indents at various stages.

“Public advertisement issued for eliciting offers from persons or agencies to undertake such liaison work for the period up to 31st May, 1972, renewable by mutual consent has elicited the following:

<i>Sr. No.</i>	<i>Name of the Tenderer</i>	<i>Fee quoted per tonne</i>
1.	M/s. A	Rs. 60
2.	M/s. B	Rs. 99
3.	M/s. C	Rs. 120

“The offer of M/s. A is the lowest and is considered fair in view of the extensive nature of the work involved. They have been doing liaison work on behalf of a number of private firms and have furnished satisfactory evidence in support of the same. I, therefore, propose to accept this offer. I request the sanction of the Standing

Committee to a contract being entered into with M/s. A for doing liaison work for procurement of steel at a fixed rate of Rs. 60 per tonne as tendered by them.

"The liaison fee will be payable in full only after the material has been despatched from the main producer's plant.

"I also request the sanction of the Corporation to incur the liability in respect of the contract beyond the current official year."

This proposal was duly considered by the Standing Committee and was approved on June 4, 1971. Thereafter the proposal was placed before the Corporation, not for sanctioning the contract as mentioned earlier, but for allowing the expenditure to be incurred beyond the current official year. There was an interval of about one month between the approval of the Standing Committee for entering into the contract and the proposal reaching the Corporation for consideration of the question of permitting the incurring of the expenditure arising out of the contract beyond the official year. In the interval as the Standing Committee was the final authority for sanctioning a contract, its sanction was communicated to the party and indents for procuring 11,400 M.T. of steel of various sizes was placed on the party. The liaison work was duly started.

When the item was taken up for consideration in the meeting of the Corporation there was unexpectedly a lot of criticism. One set of councillors felt outraged that the Corporation should be compelled to adopt such a device. 'Liaison work is nothing but bribe being offered through a middleman' they observed. Another set of councillors found fault with the Central Government for not placing the Corporation on a priority list, on a footing equal to the State Government, Railways, etc. A third set of councillors started making allegations against the Commissioner for making such a proposal; some said it reflected his inefficiency to get things done. Some felt that though the offer of M/s. A was approved on the basis of its being the lowest offer, it did not rule out manipulated favouritism. Some said that M/s. A had not paid their Income and Wealth taxes and therefore the C.B.I. should be asked to investigate. While this criticism was being levelled, no member of the Standing Committee or the Chairman who approved the proposal after detailed discussion defended the proposal in the Corporation meeting. The

Commissioner explained but to no avail. In the result the proposal was, on July 5, 1971, referred back to the Standing Committee for reconsideration and further report in the light of the discussion that took place at the meeting. The memo communicating the decision of the Corporation mentioned: "Though the Municipal Commissioner explained the position, this was referred back to the Standing Committee. The members did not like the idea of entrusting liaison work to any out side party." The Committee in turn referred it back to the Commissioner for report.

The Commissioner felt that the entire criticism was uncalled for but in view of the allegations, etc., made he thought it desirable that he should not pursue the matter at all. He accordingly sent the following letter to the Standing Committee. "It may be recalled that in the Corporation there was a general criticism against the proposal on the ground that it was bad in principle. Some other members expressed the view that if we agree to appoint a liaison agency for procuring steel, similar proposals may be put up for the purchase of other controlled articles. Some members were of the view that the Corporation should impress on the State and Central Government about the urgency of Corporation's needs through suitable representations and thereby manage to get the supplies. I made a detailed statement in the Corporation trying to bring out the financial advantages of my proposal. In spite of this, the Corporation deemed it fit to refer back the proposal. In view of the criticism, I now feel that I should not pursue the proposal for appointing a liaison agency. I, therefore, request that the proposal for the appointment of a liaison agency may be rescinded."

Accordingly, the Standing Committee on September 8, 1971 rescinded its earlier decision. The contract was terminated under the following communication: "The contract in respect of the liaison work for procuring M.S. Round from the main producers for supply to the municipal contractors for the year ending May 31, 1972 was awarded to you in pursuance of the approval of the Standing Committee of this Corporation as intimated to you on June 12, 1971. As directed by the Corporation the matter was reconsidered by the Standing Committee. The Committee has now decided to rescind their original orders and has directed me on December 15, 1971 that the original contract entered with you be terminated. Please therefore be advised that the contract awarded

to you will stand terminated from December 15, 1971."

III

The liaison agency had started working soon after the order was communicated to them and they could get release order for about 250 M.T. of steel by the time the termination of their contract was communicated. Since they had actually worked, they had to be paid for the quantum they got released at the rate which was agreed to. The Standing Committee on the advice of the legal department readily agreed to make the payment but instructed that no more purchases should be made.

IV

The position of steel supplies remained what it was and for the next two years the works were slowed down on account of the non-availability of steel. A few works had to be got completed by procuring steel at very much higher prices from the open market.

In the subsequent tenders which were invited by the Corporation, new clauses (*vide* Appendix A) had to be introduced to deal with the situation of non-availability and rising prices of steel.

The criticism at the Corporation proceeded on moral and political grounds. The small quantities of steel that were procured by the agency proved that even after payment of the commission the price paid for the steel was cheaper than the market price and purely on financial grounds the contract could be defended.

THE FOLLOWING POINTS SEEM TO ARISE IN THIS CASE :

1. Is it at all desirable that a public body like the Municipal Corporation should employ an agency to do liaison work to secure controlled articles?
2. Does this amount to a malpractice which is indulged in by private parties but must be avoided by public bodies?
3. Should such a proposal be judged on financial or moral grounds?
4. Once a proposal made by the Commissioner is approved by the Standing Committee, does it not become a proposal of the Standing Committee itself? Should not then

- the Chairman and/or members of the Committee support their decision in the meeting of the Corporation?
5. Should not have the Municipal Commissioner knowing the temper of the councillors anticipated such criticism and either mustered strong support or not made such proposal at all?
 6. What measures should the Commissioner have adopted to assure a regular flow of steel?
 7. Would it be considered a failure on the part of the Commissioner that he was not able to convince the councillors of the desirability and honesty of the proposal? What measures could he have adopted to so convince?

APPENDIX A

1. The tenders should specifically take a note of the fact that the steel required for the work will have to be procured by them from the open market. Under no circumstances, the Corporation will be bound to supply steel required for the work or any part thereof, and no claim whatsoever for extension of contract period on account of non availability or scarcity of steel IN THE OPEN market will be entertained.

2. The following basic supply rates have been adopted for working out rates of various steel items :

	<i>Rate per tonne</i>
1. M.S. Round bars 6 mm. and 10 mm.	(To be filled in for each tender separately)
2. M.S. Round bars 12 mm. and above.	
3. M.S. angles, channels, etc.	
4. R.S. Joists, beams, etc.	
5. M.S. Plates 3 mm. thick for tanks.	

Price variation will however be permitted in respect of above materials and on the basis of these rates only.

For all the steel brought by the contractors from open market and used on the works difference between the above basic rates taken into account by the tenderers while quoting for the tender, and the actual rates at which the contractors will purchase the same in the open market during the execution of the work, will be paid to or recovered from the contractors as the case may be. The contractors shall, for this adjustment, furnish in original the relevant documents from the suppliers. The rates charged in these documents will be subject to scrutiny by the Municipal engineers on the basis of similar documents received from other contractors for an identical period, and the engineers will have power to reduce the rates, if necessary, for computing the difference on the basis of actual comparison. The decision of the Dy. Chief Engineer (Planning & Design) in all the matters will be final and binding on the contractors.

3. If, however, it becomes possible to make available or arrange release of any part or all the steel required for the work by the Corporation from its own stores, or through Government Steel distribution agencies, viz., Hindustan Steel or Joint Plant Committee, etc., then the difference in rates between the basic rates mentioned above and the prices at which the steel is actually received by the contractors through these agencies shall be recoverable from the contractors and payable to the Corporation.

Approving the Location for a Cinema Theatre

S.M.Y. SASTRY

The Chief Engineer of the Sunder Nagar Municipal Corporation received a proposal for construction of a Cinema Theatre at a particular site with an application that the site should be approved by the Municipal Commissioner in the first instance.

The construction of a Cinema Theatre involved securing permissions at two stages, first for the site and then for the structure from both the municipal and police authorities. Only after the site was approved in the first instance, was a regular building proposal required to be submitted for securing approval to the building plans. The police were concerned as far as the location was concerned with the traffic arrangements, and in respect of the building they had to look into the safety precautions. The main function of approving the site devolved on the municipal authorities. After the structure was completed, both the municipal and police authorities were to inspect and certify. Then a regular licence would be issued by the police authorities which would enable the cinema theatre to commence operating.

II

The Sunder Nagar Municipal Corporation had a sanctioned Development Plan which prescribed land users in the form of Zoning regulations. The Zoning and other requirements of the Development Plan were codified in a set of rules called the Development Control Rules. These Development Control Rules were sanctioned by the Government and had the force of law. Cinema users had to conform, naturally to the Zoning regulations prescribed in the Development Control Rules.

The Development Plan divided the area of Sunder Nagar into the following zones: (1) Residential Zones; (2) Residential zones with shop lines along the street; (3) Commercial Zones;

- (4) General Industrial Zones; (5) Special Industrial Zones; and
 (6) No Development Zones or Green Zones.

Cinema Theatres were not permissible in the last two zones while in respect of the other zones, they were permissible under certain conditions.

Residential Zones: Airconditioned cinema theatre with separate entrance and exit to car park, with the special written permission of the Commissioner and subject to all other regulations applicable to cinema theatres. The Cinema Theatre itself shall not be within 40 ft. of any boundary of the plot except the road side boundary. Normally no permission shall be granted for a new cinema theatre within a distance of one furlong from an existing cinema theatre.

Residential Zones with Shop Lines: Theatres, Cinema Houses, Club Houses, Assembly or Concert Halls, Dance and Music Studios and such other places of entertainment with special written permission of the Commissioner.

Commercial Zones: Cinema user was permissible under the general rule that any use permitted in the residential zone with shop line was permissible in the commercial zone.

General Industrial Zone : Drive in theatres, Cinema theatres subject to the provision of separate entry and exit for cars, required sanitary and water supply arrangement, as per rules in force.

The Development Control Rules only indicated in what user zones the Cinema Theatres could be located but did not specify in detail what was required in respect of individual plots where Cinema Theatres were to be located. The criteria for determining the suitability of the individual plots had to be separately fixed by the Commissioner. Time was when there were no specific or special rules; each case was being decided on its merits. But since this was not a satisfactory arrangement and it became essential to indicate what requirements were to be satisfied by the proposer so that a lot of infructuous effort was avoided, the Commissioner framed certain rules under his own powers. In forming his rules, the Commissioner took into account the requirements of the police authorities also. The police authorities had their own set of rules but it was essential to see that contradictory rules were not framed by the two authorities; in respect of the requirements of parking, smooth flow of traffic, etc., the requirements stipulated by the police

authorities were incorporated, by the Commissioner in the rules framed by him.

The rules framed by the Commissioner, though they were required to be complied with, were not considered mandatory as were the Development Control Rules which were sanctioned by the state government: and any modification in the latter had also to be approved by the government. In contrast, the rules framed by the Commissioner were not subject to the sanction of the state government. In effect they therefore became more guiding principles than enforceable rules. The Commissioner could modify the rules, if he thought fit to do so; he was the final authority to interpret the rules as well as give any 'concessions'. The rules were normally operated upon by the Chief Engineer but since he operated them under delegated authority he had no right to give any concessions. It was true that, in the rules themselves, no specific mention was made that the Commissioner could in special circumstances waive any requirements mentioned in the rules framed by him, but since the rules were framed solely by him without any further sanction from any other body, it was always considered that he could give concessions which would amount only to applying varied rules in the specific case.

III

The rules that were in force on the day when the proposal under reference was received were as under:

1. Every theatre shall have an open space of not less than 15 ft. in the city and 25 ft. in the suburban area from any boundary of the plot in which such theatre is constructed.
2. No theatre shall be constructed on a main road which is not today wide enough to carry the existing traffic.
3. The site shall not be within a distance of 300 ft. from the junction of two or more roads, the traffic along all of which is heavy.
4. The site shall not be within a distance of 200 ft. from the nearest gate of a school and a hospital.
5. The site shall preferably have two access roads, one of which is at least 40 ft. in width.
6. The site shall be sufficient in area and shall have sufficient

frontage on a road so as to accommodate a separate entrance and exit.

7. Parking spaces each at least 18ft. \times 8ft. at the rate of one parking space for every 25 seats in the theatre shall be insisted on at every site, either in open space, or in stilted portion or in basement.

IV

The proposal for the location of the cinema theatre was scrutinised by the Chief Engineer who found that the proposal did not satisfy the requirements in respect of three rules. The first was the requirement that the theatre shall not be within a specified distance of a school or hospital (Rule 4). This theatre would be within the prohibited distance of two hospitals. The second was the requirement that it should not be within a stipulated distance of two or more roads, the traffic along all of which is heavy (Rule 3). The Chief Engineer found that the theatre would be at the junction of three important roads. The third objection was that it would violate a building regulation required to be complied with ultimately. The regulation stipulated that in respect of any plot which was more than 3000 sq. yds. in area, 15 per cent of that area must be left as an open recreation ground and a building complying with regulations regarding the front, rear and side open spaces should be proposed only in the remaining area. In this plot under reference which was more than 3000 sq. yds. if 15 per cent was taken off as recreation ground, then in the remaining area, a cinema theatre, the Chief Engineer said, could not be constructed at all complying with the building regulations. So though the actual building proposal was not really before him and what was before him was only a proposal for securing approval to the location, the Chief Engineer certified that the proposal was defective in respect of this requirement also, at this stage itself. A further objection was that the requisite "no objection certificate" from the Road Development Department of the State Government which was planning to make a tunnel in the vicinity and therefore had issued instructions that without its no objection certificate no development in the vicinity should be permitted, was not obtained and produced. Accordingly, the Chief Engineer rejected the proposal. The party concerned went in appeal to the Commissioner. The

party argued that as regards the last objection, viz., the non-production of no objection certificate from the Road Development Department it had already been issued by the department and was on its way to the corporation. As regards the future violation that the building proposal would make, it did not really arise now: even otherwise since a cinema theatre itself is a place of recreation, a 15 per cent reservation of the plot for recreational purpose would not arise in this case. There were precedents where the same Commissioner held that in respect of a cinema theatre the requirement of a further 15 per cent deduction in the plot would not be enforced and he would at the proper time claim waiver of this requirement. There then remained only two shortfalls and both of them, the proposer argued, could be condoned by the Commissioner. The Commissioner hesitated. He had already approved three cinema theatre proposals in two years and the small concessions he had given in respect of each had created a tension and a furore. The situation was rather peculiar. Including the State Government, every one was theoretically in favour of new cinema theatres coming up. But each site selected roused opposition from the neighbourhood. "It would create traffic congestion; unsocial and unruly elements would congregate, it would encourage truancy of students; it would generate roadside Romeos; cinema house is a nuisance" were some of the objections raised. The proposer in this case sent a number of reminders; personally saw the Commissioner and went on pressing the hesitant Commissioner to take a favourable decision. The 'no objection certificate' from the Road Development Department had also been received. So did a telephone call from the Minister in charge of the Road Development Department inquiring why the Commissioner was still putting off taking a decision notwithstanding his no objection certificate.

The Commissioner personally inspected the site. The 'no objection certificate' from the Road Development Department stipulated that abutting the proposed tunnel, the theatre should be enclosed with a high wall so that the visitors to the theatre will not spill over into the tunnel. If this wall is constructed which the proposer was willing to comply with, then the objection regarding the site being within the prohibited distance of three roads did not appear to be strong. One of the roads, the Commissioner noted, was not in existence at all; it was a future road projected in the development plan and since there was no

programme of constructing it in the near future — and nobody knew when and whether it would at all be constructed — he felt that to reject the present proposal on the basis of a future road was not justified. The two other roads, he noted, did not carry so heavy a traffic. He, therefore, came to the conclusion that the violation of the rule could be condoned. He also recorded that in future if there was any complication on account of increase in traffic, it would be only a minor one which could be dealt with by adopting some traffic controlling device like the construction of a wall and a controlled exit from the theatre. As regards the hospitals, they were only small private hospitals in rented buildings occupying not more than two floors in each building. The objection therefore was not seriously sustainable. The Commissioner finally agreed with the contention of the proposer that the question of 15 per cent reservation could be considered at the appropriate time. He, at the same time, indicated that the loss in recreation site to the Corporation could be made good by the proposer on payment of adequate compensation — it was worked out at Rs. 2.31 lakhs — which would enable the Corporation to provide recreational facilities in the vicinity. The proposer was willing to pay the indicated compensation. The Commissioner in the circumstances approved the location of the site for the theatre; a communication was accordingly despatched.

V

When it was known that the Commissioner was considering the approval of the site, a Committee of the Corporation which dealt with the leases of land, made out a point that the proposal involved the sub-leasing of a plot which had been formerly leased by that committee to another party and hence sub-leasing required the Committee's permission; the Commissioner approving the site without having taken care to get the proposer secure the approval of the Committee for sub-leasing was wrong. The Commissioner promised to get the point examined; he accordingly got the matter legally examined. He found that the power of sub-leasing in this case was vested in the Commissioner and not the Committee. While it was a fact that the permission for sub-leasing had not been so far secured, the situation could be easily remedied. The Commissioner noted that he could give the sanction

for sub-leasing if a regular proposal with requisite fee was received. The party was advised to submit a regular proposal. The party accordingly submitted a regular proposal for sub-leasing of the plot with requisite fee. The Commissioner sanctioned the sub-leasing and informed the Committee.

VI

This happened in February 1972. In March a furore started. The local councillors did not like the theatre coming up on the site. It would also appear that the proposer was rather indiscreet and boasted that he could get things done from the highest quarters in the Corporation and the Government. The councillors felt incensed. There was a Short Notice Question in the Corporation. It was later followed by an adjournment motion in the Corporation. It was vehemently argued that permission for constructing the cinema theatre was being given at a place patently unsuitable. Allegations were openly made of substantial sums having changed hands and undue pressure being brought by the government. The Commissioner protested his innocence and explained in detail the circumstance and the reasoning which led him to take the decision. During the explanation he hinted that a couple of ministers did telephone him but he denied that any pressure was brought on him. The members of the State Assembly also took up the matter in the legislative Assembly, and heckled the Government. Government disowned all responsibility and pointed out that the power vested in the Municipal Commissioner alone and the Government neither did nor could give any instructions, direct or indirect to the Municipal Commissioner, notwithstanding that he was a government servant. When there was a further pressure in the Assembly Government agreed that it would as a special case call for a report from the Commissioner and ascertain the circumstances in which the site was approved.

A month later, in April the Commissioner was transferred. He was posted in a rather insignificant assignment and a new Municipal Commissioner was appointed. The new Commissioner called for the papers of the case shortly after he took over and cancelled the permission given by his predecessor. The office noted that unilateral cancellation of a permission once given might lead to litigation and claim for damages. Nevertheless the

cancellation was communicated and the proposal was treated as closed as far as the Corporation was concerned. The transferred Commissioner protested his innocence and after a few months in that insignificant assignment, he was rehabilitated as a Secretary of an important department in the Secretariat.

VII

This is a case in which as far as approving the location of the site for a cinema theatre was concerned, the Municipal Commissioner is legally the final authority. It was in his power to exercise discretion and give concessions if any. Nevertheless the exercise of that power generated an opposition which led to complications and ultimately to his transfer.

This case raises some fundamental questions regarding the exercise of discretionary powers and giving 'Concessions' as under:

- (a) What considerations should govern the exercise of discretionary powers and giving concessions, either direct or in the way of interpreting the rules?
- (b) What attitude should be taken when a Committee or Councillors who are not the 'concerned authorities' attempt to interfere?
- (c) How should the Municipal Commissioner develop the art of anticipating the popular reaction and at what point should he gracefully refrain from exercising his powers?
- (d) The Municipal Commissioner, being an I.A.S. officer, is a Government Servant: at the same time, for the time he is serving as a Commissioner, he represents the interests of the Corporation. Any impression that he is amenable to pressure from Government is generating opposition to him in the Corporation. In these circumstances, how should the Municipal Commissioner develop the art of resisting pressure if any from above, of not succumbing to pressures from ministers and government and carrying conviction to the Corporation?

A Law and Order Situation

“SCORPIO”

The situation arose out of a widespread strike of employees owing affiliation to a Union not sympathetic to the Government. As a public utility service was involved, Government was keen that the strike should not succeed. An ordinance rendering many acts like demonstrations, meetings, assemblies, processions, etc., illegal was issued and instructions were given to all District Magistrates that the situation was to be dealt with firmly. The district administration of Sadras City also geared up its machinery. Stringent orders under Section 144 Cr. P.C. were issued. Meetings of Magistrates and Police Officers were held and the gravity of the situation emphasized.

The strike was to begin on 8th April, 1974. On 6th afternoon, Mr. Roy, District Magistrate of Sadras District, called an emergency meeting of all SDMs and DSPs. In the meeting, it was decided to provide extra force to all the police stations, to arrest the union leaders and to break up the meetings. In the evening, six leaders were arrested in a public meeting, the workers turned violent and teargas had to be used. Twenty workers were arrested.

Mr. Roy had circulated a detailed written order among his subordinates in which he had exhorted them to combine firmness with tact. He also divided the area of the district into sectors, each area being entrusted to the overall supervision of the SDM concerned. The sectors were further sub-divided into sub-sectors under the charge of officers of other departments upon whom powers of a Magistrate had been conferred.

Sub-sector Sivapuri was under the overall charge of Mr. Seshan, SDM, in whose sub-division it fell and the immediate charge of Mr. Sood, District Development and Panchayat Officer. Both Mr. Seshan and Mr. Sood belonged to the Provincial Civil Service cadre. Mr. Seshan was a young man of 26 years with four years' service. He was a direct recruit and was full of zeal and energy. Mr Sood was a middle-aged person of 45 years

who had risen from the rank of a Social Education Officer and had been recently promoted to the PCS. Even though posted under Mr. Seshan, he considered himself to be superior in experience and wisdom to him. The police counterparts were Mr. Khan, DSP of the area and Mr. Malhotra, DSP drawn from an armed police battalion. Mr. Khan had risen from the rank of a constable and was now 56 years of age. He had a knack of acting as a junior police official, by dealing with the situation in person rather than by giving orders to subordinates. Mr. Malhotra was a direct recruit of 29 years who tended to obey orders rather than taking action on his own.

On 7th April, Messrs Seshan & Khan kept on touring in their sub-division. In all, they broke up five meetings, arrested 80 persons and used teargas once. There was no lathi-charge or firing. In the evening, Mr. Roy held a meeting to review the action taken during the day and expressed satisfaction with the situation.

The 8th April was the D-Day. Messrs. Sood & Malhotra reported for duty at their control room, at 8 a.m. They went on a round of Sivapuri and found the situation normal. The offices were to open at 10 a.m. At 10.15 a.m. they took a round and found the situation peaceful except in one rubber factory where about 250 workers were assembled in the compound raising slogans. Mr. Sood went into the compound, addressed the workers, and asked them to disperse and confine their slogan-mongering to the area inside the building. The workers went inside the factory, raising the slogans 'Sood Zindabad' and 'Workers' Unity Zindabad'.

At 11.00 a.m. one of the Managers of the Rubber factory telephoned the control room to say that some outsiders had entered the building and were raising slogans and forcing his workers to stop working and join the strike. He was asked to send a written request by Mr. Sood who answered the phone. The written request did not come.

At 11.45 a.m. another Manager made a similar complaint on the telephone. On being asked to make a written complaint he tried to get in touch with the proprietor of the factory, but failed to do so due to his telephone line being out of order. He went to the office of two other colleagues, but found their line out of order, too. Thereupon he locked up the cash and the room containing important files and became a silent spectator.

At about this time, the number of demonstrators inside the building had increased to 1000. Some leaders were addressing the meeting, raising slogans and inciting the workers to take out a procession at 1 p.m. which was the lunch-hour. A C.I.D. Inspector informed Mr. Sood of this development at 11.55 a.m. Mr. Sood made a round of his sub-sector at 12 noon. By 12.30 p.m. when he returned, the lunch-hour crowds had started emerging here and there and a lot of noise emanated from within the factory. Mr. Sood, however, returned to the control room, ordered a *paan* and started reading the morning paper.

Messrs Seshan & Khan in continuation of the action taken on 7th April, toured the sub-division, broke up three meetings and arrested 65 persons. When they reached sub-divisional headquarters, they were informed by the Inspector-in-charge of the control room about the developments in Sivapuri. They felt that the information about a procession likely to be taken out at 1 p.m. was particularly disquieting, and decided to be present at the spot.

As soon as they reached the rubber factory at 1 p.m. they found the procession coming out from the main entrance to the building towards the 'IN' gate. They got down from the vehicle and proceeded towards the gate. Here they met Inspector Gugnani who quickly briefed them and stated that Messrs Sood & Malhotra had gone out on a round of the sector.

Now events took a sudden turn. The entire crowd of about 1000 persons came out in the shape of a procession. Slogans were shouted not only from the rubber factory but from other surrounding buildings also. The situation was tense. Mr. Seshan addressed the crowd on the public address system, asking it to disperse. The teargas squad was kept ready. Suddenly the crowd started breaking the glass panes of the foyer and the mood of the crowd appeared to be violent. Two teargas shells were burst and the crowd dispersed. Six persons including the ring leaders were arrested and sent to jail.

For about 15 minutes, nothing more except slogan shouting from the windows of the rubber factory was heard. Mr. Seshan went into the control room of sub-sector Sivapuri and informed Mr. Roy about the action.

At about 1.30 p.m. Mr. Seshan found Mr. Sood back in the control room and tried to discuss the situation with him, but

found him taciturn and in an uncommunicative mood. Mr. Seshan went out along with Mr. Khan to survey the situation. Some miscreants had now appeared on the roof of the factory and they started pelting stones at the police. Teargas shells were fired, but these proved ineffective due to the long distance and wind direction.

Messrs. Sood & Malhotra discussed the matter in the control room. Mr. Sood felt that he had controlled the situation tactfully since the morning and if Messrs. Seshan & Khan had consulted him he would have apprised them of the peaceful nature of the demonstration and advised that no action be taken. He rang up Mr. Roy, informed him of the action taken and his disapproval of it. He requested that he be allowed to relinquish charge of the sub-sector to Mr. Seshan. Mr. Roy, however, refused to relieve him and called Mr. Seshan to the phone. He asked Mr. Seshan to take Mr. Sood's advice and decide matters jointly. He also advised that the police force be withdrawn out of sight and teargassing be stopped. Both the steps were taken, but the stone-throwing continued. At 2 p.m. Mr. Seshan again spoke to Mr. Roy. He informed him about the situation and requested him to come to the spot. Mr. Roy expressed his inability because he was busy, but promised to send Mr. Goyal, the additional S.P. of the district.

At 2.15 p.m. Mr. Goyal arrived in the control room. A meeting was held. Mr. Goyal tried to speak to the various Managers located in the rubber factory. The Officer-in-charge of the building was asked to go to the roof and talk to the workers. A similar message was given to another Manager. The General Manager, the Works Manager and the Personnel Manager were not available on phone.

During the meeting, the suggestion that a dozen plain-clothes policemen be sent to the roof by the backdoor was also discussed. At this stage Mr. Viswamitra, the local MLA, rushed in. He offered to pacify the workers by holding a meeting in the compound. He belonged to the political party which was the main thrust behind the strike move. Mr. Goyal allowed Mr. Viswamitra to hold the meeting without consulting Mr. Seshan who had gone to the bath room for a few minutes.

Mr. Viswamitra went towards the rubber factory with outstretched arms asking the miscreants to stop. Stone throwing

stopped and slogans of "Viswamitra Zindabad" were shouted. A crowd collected on the road in front of the rubber factory and Mr. Viswamitra started addressing it.

When Mr. Seshan returned to the control room he found all officers going out. From Mr. Goyal he learnt about the arrangement with Mr. Viswamitra. The meeting being addressed by Mr. Viswamitra was visible from the control room. Everything was quiet. Suddenly Mr. Goyal started moving towards the crowd. Mr. Seshan asked him not to show himself to the crowd as his uniform would provoke them. Mr. Goyal mumbled something inaudible and strode purposefully towards the meeting. Though he was going there only to listen to what was being said by Mr. Viswamitra and no orders were given by him that anybody should follow him, yet natural impulse made everybody except Mr. Seshan to follow him. The police officers went because he was a senior officer and needed to be protected from mob violence. Mr. Sood went along in order to be with Mr. Goyal, with whom he was having a general discussion.

When the procession of officers moved towards the crowd, the police force which had suffered the shouts, abuses and stone throwing by the crowd since the morning, thought that the time for action had come. They thought that Mr. Viswamitra was holding an unauthorised meeting and he was going to be arrested. The entire force came out of cover. Those miscreants who were still on the roof of the rubber factory became afraid that Mr. Viswamitra was about to be arrested. Violent stone throwing started and the meeting dispersed. Mr. Viswamitra ran into an adjoining building where he remained quite for one hour.

When stone throwing started, Mr. Goyal was at the 'IN' gate of the rubber factory. It appeared safer for him to run for shelter towards the factory than towards the control room. Messrs Khan, Malhotra, Gugnani and other policemen ran after him partly to protect him and partly under the impression that Mr. Goyal running towards the factory was a signal for attack.

Mr. Khan had been pressing the point with Mr. Goyal for the past one hour that a small force should be sent inside the building, so that the miscreants could be arrested. He thought that Mr. Goyal had by the gesture of running towards the building permitted the manoeuvre at last. He ran towards the rubber

factory shouting "come, come" and gesturing with his arms. All the other police officers and men rushed after him. A detachment of reserve police, which was stationed for emergency duty nearby, also followed because some of them had been injured in the stone throwing and were feeling restive.

Mr. Goyal was left standing near the factory and Mr. Seshan was near the control room across the road. Both were puzzled — Mr. Goyal because the action had taken place under a misapprehension and Mr. Seshan, due to loss of contact with his police counterpart and the feeling that the force was now leaderless. Both realised that the entry of a large force in an enclosed space was fraught with dangerous consequences. Mr. Seshan decided to follow the force, trace the officers and attempt to bring the force out of the factory premises. Mr. Goyal decided to go into the control room to speak to his superiors.

Inside the building, Messrs. Khan, Malhotra & Gugnani found the condition chaotic. Their entry was resisted by miscreants who threw all sorts of missiles at them. In the process, window panes broke. Some miscreants ran into rooms and bolted these from inside. The policemen ran in pursuit. Some rooms were got opened and the inmates beaten; in other cases, the doors were attempted to be forced open. A few lady employees ran into a toilet. Policemen hammered at the door. They screamed. Pandemonium prevailed. Messrs. Khan, Malhotra & Gugnani lost control of the force. In the absence of clearcut orders, the policemen pursued people, forced entry into rooms, beat up people and arrested them. The officers tried to bring some order in the chaos, but with dubious effect.

A press party of five, comprising newsmen and photographers, rushed into the building after the force and took photographs of the police action. When they tried to go into some of the rooms, the policemen stopped them and prevented their entry. In the scuffle, one or two of them suffered minor injuries.

Several Managers, Deputy and Assistant Managers tried to shield the workers by giving them refuge in their rooms. The police did not consider the sanctuary to be sacrosanct and beat up the officers of the factory, who were indistinguishable from the workers.

When Mr. Seshan entered the building, he found a big commotion and policemen rushing about in all directions. One of them

brandished a nasty stick at him which he barely escaped. In order to be safe, he borrowed a helmet and a whistle from a policeman. He then went towards the roof. Here he saw Mr. Khan from a distance and shouted at him that the beating should stop and force be vacated. When he tried to reach the place where Mr. Khan had been standing, the latter was not to be seen. Mr. Seshan gave orders to Mr. Malhotra & Mr. Gugnani about the withdrawal of force, stoppage of beating and bringing of the arrested persons to a big hall on the ground floor, so that sifting of miscreants could be done.

The force entered the building at 3 p.m. At 3.30 p.m. it had been brought out. About 1000 persons had been rounded up and kept in the hall. With the help of the General Manager and the Works Manager who arrived at this juncture, the managerial and supervisory staff was separated and allowed to go. This took 1½ hours. The remaining persons were sent to jail.

While the screening was going on, Mr. Viswamitra, the MLA, again appeared on the scene. He told Mr. Seshan that all the arrested persons should be released at once. Mr. Seshan did not agree to this request.

While the action in the building was on, Mr. Goyal was informed in the control room that a man had fallen from the roof of the factory and had been seriously injured. Mr. Goyal went to the spot and had the man removed, but he died on his way to the hospital. When this fact was brought to Mr. Seshan's notice, he ordered a magisterial inquiry. The body was cremated the same night after the relatives had been called by the police.

In the evening there was a meeting in Mr. Roy's office which was attended by Messrs. Seshan, Khan & Goyal among others. No adverse comment on the action taken by them was made by Mr. Roy or anyone else.

Next morning, all hell broke loose. The newsmen who had been beaten were sympathetic to the workers. The MLA had gone back to the Assembly and raised a big rumpus. The Managers of the factory who had also been beaten were interested that the action be presented in dark colours. Other politicians also took up this opportunity of embarrassing the Government.

The next three days saw mounting pressures, both in the Assembly and the Press. A judicial inquiry into the incident was demanded. The Chief Minister was asked to resign. An inquiry

committee was appointed by the opposition under the chairmanship of a retired High Court Judge. Every day, the one-sided evidence given by the miscreants was fed to the Press. A hunger-strike was started. Workers, politicians, pressmen with one voice wanted action to be taken against the erring officials.

Mr. Roy, the District Magistrate, knew full well the import of this furore. As District Magistrate, he was responsible for the law and order situation and if a judicial inquiry was held, he would go before it as a delinquent official. He, therefore, decided to have himself appointed as the Inquiry Officer. As he started his own inquiry on 9th morning itself, the initiative was wrested from the Government. Government, therefore, decided to take a double stand in the Assembly. While rejecting the demand for a judicial inquiry, it was said that the inquiry being held by the District Magistrate was impartial and would bring out all the facts.

On the 11th, Mr. Roy completed his inquiry and finalized his report. He held that Mr. Goyal had not rushed towards the building, that Mr. Khan had taken the decision of entering into the building on his own without consulting Mr. Seshan and against Mr. Goyal's specific orders, that the entry was not justified, that Mr. Seshan had succeeded in clearing the building of the miscreants and police within half-an-hour, and that the police had committed excesses inside the factory premises.

At this stage, Mr. Khan came to suspect that the entire responsibility was being foisted on him. He met some important MLAs and raised the point that Mr. Roy was prejudiced in favour of Messrs. Seshan & Goyal — Seshan because he was also a Magistrate and Goyal because he belonged to his own community. He also persuaded the Muslim Majlis to issue posters in the town, alleging discrimination against Muslim officers. As the pressure mounted, Home Department officials got worried. They, therefore, asked Mr. Roy to fix responsibility on two officers, so that the charge of discrimination could be met. Mr. Roy modified his report and put the blame on Mr. Seshan for not maintaining liaison with Mr. Khan and the management of the rubber factory. The report was presented to the Government on 11th evening.

The report was examined in the Home Department and a note put up to the Chief Minister. It was suggested that Mr. Khan be suspended for gross disobedience of Mr. Goyal's order and Mr. Seshan be transferred to a non-executive post. The Chief

Minister who had been briefed by pro-Khan MLAs and leaders of the Muslim Majlis, desired that Mr. Seshan be also suspended. The Chief Secretary, however, took the stand that Mr. Seshan had not done anything wrong and action against him was being taken only to maintain parity between Muslims and Hindus and between the magistracy and the police. The Chief Minister agreed. He later made a statement in the Assembly and announced the decision. He also announced the decision to grant compensation to the family of the dead person as also to those injured during the incidents. Government appointed a Judicial Officer, as Inquiry Officer.

The Inquiry Officer accepted Mr. Khan's version and held that the action had been justified and was taken after mutual consultation between Messrs. Seshan & Khan. His inquiry report was presented to Government two years after the incident. By this time, nobody remembered the incident and Government quietly accepted the report. Mr. Khan was reinstated and Mr. Seshan transferred to an executive post.

II

ANALYSIS

From the above situation, several points emerge which are summarized below :

1. Mr. Roy, the District Magistrate, had placed sub-sector Sivapuri under the direct charge of Mr. Sood and under the overall charge of Mr. Seshan who was the Sector S.D.M. While doing so, it was not made clear as to what the respective jurisdiction of each functionary would be. It was not stated as to who had to take orders from whom.

2. Mr. Sood was under the impression that he had been placed under an officer junior to him. Such an impression would naturally create unpleasantness between Mr. Seshan and Mr. Sood even in a normal situation. In an emergency when tempers are frayed, arrangements of this type were likely to break down completely and did in fact do so.

3. When it appeared to Mr. Roy that there was a simmering dispute between Mr. Seshan and Mr. Sood, he should have quickly decided as to who was more important and who could be asked to

withdraw. As soon as he had made that assessment, he should have taken a strict line of action by making the less important man withdraw. Keeping both the officers of equal rank with strong disagreement between them also accentuated the problem.

4. If it appeared to Mr. Roy that the dispute was such as could not be resolved from a distance, he should have gone to the spot, assessed the situation himself and taken a decision there itself.

5. Mr. Seshan was under the impression that Government policy about the manner in which the situation had to be dealt with was one of toughness. Mr. Sood was, however, avoiding the unpleasant job of breaking up the unlawful assembly under the guise of tactfulness.

6. Mr. Goyal decided to permit Mr. Viswamitra, the MLA who was one of the leaders of the party supporting the strike to address the public assembly. He should not have taken this decision without consulting Mr. Seshan and Mr. Khan who were the Magistrates on the spot and were really competent to give this permission.

7. Once the permission for holding the meeting had been granted, Mr. Goyal should not have proceeded towards the crowd in order to hear what Mr. Viswamitra was saying. It would have been better to send a police officer of the CID in mufti who could have mingled unostentatiously with the crowd.

8. As soon as the brickbatting restarted, Mr. Goyal should not have run towards the factory, but should have retreated towards the control room, as running towards the building created an unfortunate impression that he was giving a signal for entry into the building.

9. Once Mr. Goyal came to the conclusion that Mr. Khan was not obeying his orders and the force had been taken inside the building without obtaining his permission, he should also have entered the building, contacted Mr. Khan and persuaded him to withdraw. In case Mr. Khan did not agree to this suggestion he should have placed him under suspension or forced him to withdraw from duty. If Mr. Khan was not available, he should have exercised direct control over the policemen as he was in uniform and was the seniormost police-officer present.

10. While fixing responsibility it should have been seen by the Government whether Mr. Seshan and Mr. Khan had tackled

the situation rightly or wrongly, and whether Mr. Sood and Mr. Goyal had tried to run away from the situation. Mr. Sood had not taken any action on the situation as it emerged during the morning and Mr. Goyal did not enter the building in order to bring back the force, but went to the control room to telephone senior officers. It was Mr. Seshan who went inside the building and tried to bring back the force.

11. Mr. Roy, being the District Magistrate, was directly responsible for the law and order situation; he should not have been appointed as the Inquiry Officer. The inquiry should have been conducted by an impartial outside agency.

III

A PLEA

In conclusion, it may be observed that law and order situations need to be treated differently from ordinary situations while fixing responsibility for rashness, use of excessive force, dereliction of duty, etc. In a law and order situation, one deals with people with a grievance, genuine or assumed, people whose passions have been aroused, people who are bent upon breaking the law. These mobs resort to throwing of stones, bottles, brickbats and other missiles. Some magistrates and policemen receive injuries. The very defiance of lawful authority is ugly to behold. The reactions of magistracy and the police are predictable. They tolerate the militancy of a crowd for some time, but gradually their attitude changes. It appears incongruous to them that the law should be violated in their presence, that they should be openly reviled, ridiculed and scoffed at, that missiles should be thrown on them along with terms of abuse, even though the law, the force, the lathis and the guns are all on their side. It is a superhuman being indeed, who can restrain himself in the face of such a provocation. Very often, lathi-charges are started by an almost involuntary reaction of the police force and the magistrates only accord *ex post facto* sanction.

Though civilization has advanced considerably, man is still governed by his primitive instincts, the most potent instinct of which is self-preservation.

It is easy to say that magistrates and policemen should suffer

the stones, the brickbats and the abuse in silence. When injuries bleed, one is apt to see red. At such a time the discipline of an organised force can keep the primeval man in check, but only for some time. The policemen start nursing a grudge, they strain at the leash, the blood starts coursing violently in their arteries. At long last, the officers relent. At the word 'go', the policemen run. It is almost like the charge of a military unit at an enemy bunker. Lathis are wielded with all the force of pent-up anger, skulls are broken open, bones are fractured.

Then we analyse the whole event and inquire into police excesses. The excesses committed by the public on the police are forgotten. The goondas and hooligans, the law-breakers and brickbatters turn into martyres who did no evil. The magistrates and police officers become traitors and blood-thirsty malefactors. They are suspended and charge-sheeted. Some so-called impartial person who has himself never faced mob fury, sits in the air-conditioned comfort of his room and starts a cold analysis of hot, emotionladen and bloody events.

The big question-mark that faces us all is whether this is fair to magistrates and police officers, to the respect for law and to maintenance of peace in a society torn asunder by poverty, ignorance and politically generated hooliganism. We have to remember that if the agencies of maintenance of law and order in the country are demoralized, no one can protect us from ourselves. And if the civil authorities fail in their foremost duty of protecting the fabric of society against disintegration, nothing stands between the country and rule by a military dictatorship.

Problems of Students' Indiscipline and Lawlessness—Case Study of Magadh University (1967-72)

R.C. ARORA

Magadh University with its headquarters at Bodh Gaya was created by the University Act 1961. Its temporary headquarters were fixed at Gaya very close to the Gaya College which was made a constituent college of the University. The caste and group politics marred its normal working right from its inception. A High Power Committee set up in the year 1962 to look into the deterioration of the administration of the Gaya College, had stated in their report "we are firmly of the opinion that there is caste and group politics in the college and that two groups are Rajputs and Bhumi-hars". They further stated "we are of the opinion that amongst the professors, 'A' appears to be the most active person who is a menace to the peace and discipline of the college. He is openly supporting the Bhumi-har group and fomenting casteism amongst the students". The caste rivalry became more pronounced after the Magadh University came into being in the year 1962; and the Rajput group began to dominate the University politics more and more.

In a letter to the editor published in the *Indian Nation* dated 11th December 1969, 'B' an advocate of Gaya stated "It is a proven reality that in all the Universities of Bihar, casteism, corruption, indiscipline and politics are the ruling factors. Even the ex-Governor of Bihar while leaving Patna in December 1967 had said that the Bihar University was controlled by Bhumi-hars, Bhagalpur by Brahmins, Ranchi by Kayasthas and Magadh by Rajputs". The domination of the Magadh University by Rajputs was also mentioned by many witnesses before the Abraham Commission set up to enquire into the incident of 29th September 1969. It was alleged that all the key posts in the University were filled up by Rajputs. In Gaya College this rivalry between the castes was more pronounced and has a long

historical past. In 1965, another college was established in Gaya, namely, Anugrah Narayan Memorial College. Admittedly, this is being run and managed by the Rajput community. Most of the Rajput students, thereafter, shifted to this college and the rivalry between the Bhumihars and Rajputs eased in Gaya College. Thereafter, Bhumihar students started to dominate the scene. In 1967, after the induction of 'C' as Vice-Chancellor of the Magadh University, a third power in the shape of Yadav students became quite active and captured the scene for some-times. The College authorities started favouring the Yadav group of students and the rivalry between the Bhumihars and Yadavas took root in the college politics.

The year 1967 was marked by intense political activity in the State. The Congress Government had been unseated and the United Front Ministry was installed on the crest of large scale student demonstrations in the State. Some unfortunate incidents of rioting by students had taken place in Ranchi on March 29, 1967. There was a visible shift in the policy of the Government regarding the role of the law and order authorities *vis-a-vis* students for use of force to curb indiscipline and lawlessness amongst the students. While impressing upon the District Magistrates that nobody, including students, was immune from the action of the law of the land, they were asked to keep in view the sensitive character of the student community. Government directed that the use of force should be the last resort when other methods like meeting the genuine grievances of the students community and persuasion through parents and guardians failed. The deputation of armed forces should not be made except in an extremely serious situation when a large scale disorder was threatened or there was very serious threat to life and property. The discretion of the local administration was restricted somewhat by these circulars. Such a policy on the part of the Government led to some laxity in the role of the law and order authorities in dealing with the student disturbances and indiscipline. Various incidents of lawlessness and indiscipline occurred during this period. One major incident took place on November 24, 1967 when a group of students led by some rowdies staged a demonstration before the University office. They damaged the furniture and other fixtures of the University and a case under Sections 147, 448, 426, 504 IPC was instituted on receipt of the report from the Controller of the Examination.

Several cases of intimidation of the staff and invigilators in the examination hall took place during this period. The District Magistrate reported these incidents to the State Government. In one of the reports dated December 18, 1967, he also mentioned the names of two teachers of the Gaya College who were encouraging sections of the student community to resort to agitations. On the basis of this letter, one caste leader in the teaching staff was transferred from Gaya, but the seed had already been sown of intense caste rivalry between the Bhumihars and Yadavas in the Gaya College.

In 1968, the Vice-Chancellor reported to the Chancellor a case of stabbing by some miscreants of a lecturer in the college. Some rowdy elements tied up his hands, gave him blows with a dagger on his face and chest. He further reported that such incidents of violence were on the increase in the University campus. There were many more incidents of this kind that year.

The deterioration in the administration of the Gaya College was most marked in respect of the conduct of the examination during this period. The trouble actually started with the annual examination held in 1967 when unfair means were used on a large scale with the knowledge of the University authorities. The police and magistracy also showed leniency and left the University authorities to fend for themselves in view of the Government circular mentioned above. The examinations became more or less a farce and the students used unfair means openly. A notable case of such unfair means is reported by the Abraham Commission where a ring leader of a particular caste group appeared at the B.A. examination of 1967 and offered Honours in Political Science. He secured Honours and his position in the gradation list was First class second. His answer books contained 100-105 written pages whereas the time for each paper was only three hours. It was an obvious case of writing the answer books outside the examination hall. When the results were withheld, the same student led a mob that gheraoed the Vice-Chancellor and damaged the University office. The University authorities succumbed to the pressure and declared his results placing him First class second in Political Science Honours. It is a clear case in which the authorities surrendered totally to lawless elements and to the use of unfair means. After these incidents, it was obvious that the morale of the teachers and the University authorities had

touched the rock bottom. They were even afraid to report cases to the local administration for taking action under provision of law.

Thereafter, the college authorities also did not cooperate with the Civil Administration; showed reluctance in giving names of the mischief-mongers and also in initiating legal action against students who were responsible for many overt acts in the campus. The Administration acted on the basis of the information informally and secretly gathered from various sources. This coupled with the fact that police force could not be deputed in the University campus without the consent of the University authorities, created a very explosive situation in the campus and the rowdy elements amongst the students got emboldened in their evil designs. The administration fought a last-ditch battle by initiating proceedings under Section 107 Cr. P.C. against the ring leaders on the basis of information privately collected. Six students were arrested while many others against whom proceedings were initiated absconded. This action on the part of the Administration had, temporarily, a salutary effect and the examinations could be held peacefully in 1968 though large scale use of unfair means was rampant. The rowdies, thereafter, brought pressure on the college authorities to write to the District Administration requesting them to make arrangements for examination of the students who were arrested. Obviously, the college authorities had succumbed to the pressure of the mischief mongers. They should have been bold enough to rusticate such students who had been arrested for their role in disrupting the examination. Thereafter, the acting Principal of the College wrote a letter asking the District Administration to drop the proceedings under Section 107 Cr. P.C. against the students. Obviously, under this situation legal action against the students was difficult.

This case is an instance of the difficult circumstances under which the District Administration was functioning in controlling lawlessness and indiscipline amongst the students. The college authorities, for obvious reasons, did not take action against the students for indiscipline, they did not impose any fine or expel any student when such incidents occurred; they did not institute any case when crimes of substantive nature were being committed and if the Administration acted alone the college authorities went out of their way to show to these unruly elements that the former did not want them to be punished.

These were the circumstances which led to gradual deterioration in the situation. The lack of confidence between the University authorities and the District Administration added fuel to the fire. No effective action could be taken against the rowdy elements. They were emboldened in their intransigent attitude towards the staff and towards magistracy and police. The various caste groups openly fought amongst themselves, the teachers belonging to different castes sided with their caste groups and openly favoured them in academic and other fields. The vicious atmosphere in the Gaya College campus was responsible for non-availability of a good educationist to head the institution. The stop-gap arrangement of an acting Principal continued for many years.

II

CONTRIBUTING FACTORS

The prevailing situation in the Gaya College and the University campus was obviously very distressing. While narrating the historical background of the students' trouble, the symptoms of the malaise have been clearly brought out. The chronological narration of cases instituted against the students of Gaya College during the period 1967-69 in Annexure I clearly shows how vitiated was the academic life in the college campus.

Annexure II gives a list of 9 FIR cases and non-FIR cases instituted against one Shri JPS who was the undisputed leader of the main Bhumihar group and his name and activities were well known to the college and University authorities. It is surprising that no action whatsoever was taken against him by the University authorities and instead they connived at his securing First Class Second by blatant use of unfair means. Similarly, one MY who was the leader of the Yadava group of students was quite well known to the University authorities. Instead, he was given encouragement by the Principal by award of stipends and nomination as the General Secretary of the common room. The latter act of the Principal was responsible for annoying the Bhumihar group of students which ultimately led to serious rioting in the college campus on September 29, 1969.

The morale of the teachers was at its lowest ebb. From time

to time the Gaya College Teachers' Association submitted representations to the Vice-Chancellor and other authorities on various matters. They demanded :

- (a) The newly appointed Principal of Gaya College must join immediately,
- (b) Armed police and magistracy should be posted in the campus till complete normalcy prevails in the campus,
- (c) Immediate steps for removal of students of bad character and who were involved in criminal cases and whose presence in the college was not conducive for proper functioning and maintenance of discipline.

The Teachers' Association expressed deep resentment at the failure of the college and University authorities to take suitable measures to check the deteriorating conditions of discipline and good academic life. Many cases of intimidation of the teachers and invigilators had been instituted. Teachers were not willing to work as invigilators in the examination halls. There was an atmosphere of fear from the students and mutual suspicion and distrust amongst the teachers and between the teachers and the University.

It would be proper to go into the factors which resulted in such a situation. A proper appreciation of these factors would help in understanding the remedial actions which were taken to stem the rot which had obviously set in the campus life.

(i) *Casteism and Groupism* : A brief mention has already been made of the role of casteism and groupism in the Magadh University and its constituent college, viz., Gaya College. The High Power Committee of 1962 had clearly stated that caste and group politics was eating the vitals of academic life. The Vice-Chancellor in one of his reports to the Chancellor had stated "it is very clear that the disease of casteism and groupism has deep roots in the college. The eruption of violence on September 29, 1969 was the cumulative effect of the long-standing rivalry amongst the students of Gaya College". The caste rivalry was previously between the Bhumihars and Rajputs and later between the Bhumihars and Yadavas. The Abraham Commission has listed many cases of favouritism to the staff of one caste or the other which naturally caused resentment amongst the other castes. The High Power Committee of 1962 had recommended that a certain professor should, on no account, be allowed to serve in Gaya College and

should be transferred, but no action was taken by the University authorities till January 1969 because of pressures from the caste leaders. The District Magistrate and the Superintendent of Police jointly reported to the Government that this professor had reputation of being casteist and was virtually functioning as a leader of some of the mischievous elements in the college. It was also well known that he was encouraging sections of the students to resort to agitations to achieve his own selfish ends. There was serious rivalry between the two professors belonging to different castes for appointment as Superintendent of Hostel. One witness before the Abraham Commission stated that caste politics amongst the student community was a reflection of the State politics. It is quite clear that the student leaders got support from the political leaders at the State level belonging to their own caste. The fact that the college teachers were themselves indulging in this caste politics is further borne out by the fact that the Teachers' Association resolved on October 3, 1969 "the meeting also called upon the teachers of the college to desist from all such activities which may defame the whole teaching community and the institution".

The caste rivalry between the Bhumi-hars and the Rajputs though quite virulent at the University level, had largely subsided in Gaya College after setting up the Anugrah Narayan Memorial College, mainly run and managed by the Rajputs. The Bhumi-hars dominated the Gaya College politics for quite sometime. But in 1967, another group namely Yadava started wielding a good deal of influence in the college politics. The acting Principal openly supported them. He allowed admission to such rowdy elements as MY in 1968. This caused a feeling of general distrust amongst the students of the other community. In the vicious atmosphere of caste politics, it appears that the acting Principal was trying to win the support of Yadavas by conferring undue favours on them. MY was given stipends from the poor boys' fund and also Rs. 50 from the Vice-Chancellor's discretionary fund. All this was given in spite of the fact that he was a free student. The acting Principal again favoured the Yadava leader by nominating him as General Secretary of the common room. Before the serious incident of September 29, 1969, there was a small demonstration before the University authorities for some academic matter in which the officials of the Magadh University were gheraoed and brickbats

were thrown on the University building. MY leader of the Yadavas group was leading this demonstration. He was arrested on September 17, 1969 in connection with this case. The acting Principal went out of his way to approach the Subdivisional Officer for release of MY on bail. It clearly showed that the sympathies of the acting Principal were on the side of Yadavas and favours were shown to MY on many occasions.

(ii) *Mal-administration in the College* : Several witnesses before the Abraham Commission stated that one of the principal causes for the mismanagement of Gaya College was that since 1962 when it had become a constituent unit of the University, there was no permanent Principal of the college. Except for A, who was Principal for a short term, nobody was appointed as permanent Principal till 1969. It was in 1963 that the Vice-Chancellor sought the approval of the Chancellor to fill up this post by direct recruitment. There was unusual delay in the recommendations of the Public Service Commission and meanwhile the stop-gap arrangements continued. The acting Principal was weak and ineffective in the administration of the college. A gave undue support and encouragement to the Bhumihars whereas BP, acting Principal, gave support and favours to Yadavas. There is no doubt that if, soon after Gaya College had become a constituent college, a strong and capable Principal had been appointed, there would not have been deterioration in the administration to such a great extent that indiscipline and lawlessness would be so rampant in the college campus.

Another important reason for student unrest was the lack of basic amenities and facilities for the students in the college. Several committees had drawn the attention of the authorities to the following :

- (i) inadequate common room facilities for students,
- (ii) inadequate provision for hostel accommodation.

The hostel accommodation was only for 110 students out of 3000 students studying in Gaya College. Many of them, therefore, resided in the private lodges over which the University authorities had no control. Most of these lodges were run on caste basis and were occupied not only by students but many others including anti-social elements. In these lodges the so-called politicians with vested interest got ample opportunities to instigate the students to indulge in law-

lessness.

- (iii) The college library had no reading room. It was ill-equipped to meet the needs of the staff and students.
- (iv) There was no auditorium. Classes had to be suspended whenever examinations were held. Vacations and holidays ate up 130 days and many more working days were lost because of University examinations and disturbances.
- (v) There were no proper lecture halls and tutorial rooms. The class rooms had no fans though Gaya is one of the hottest places in India.
- (vi) There was no proper arrangement for canteen and drinking water in the college premises.
- (vii) There were no good play grounds and no cycle shed.

All these are indicative of the maladministration in the Gaya College which contributed to the dissatisfaction of the students community.

(iii) *Misunderstanding between Civil Administration and University Authorities* : Mention has already been made of the misunderstanding between the Civil Administration and the University authorities as to their respective role in maintaining law and order. Both blamed each other for the series of incidents which kept on occurring in and around the college premises. The Vice-Chancellor sent a report to the Governor who is the Chancellor of the University wherein he mentioned "such incidents of violence are on the increase in the University campus. All I can say is that Government should take this matter in all seriousness. During the course of a month I have sent two other reports concerning the hooliganism indulged in by the students. Police proceedings are going on, but I do not know what will happen".

The District Magistrate after receiving a copy of the letter of the Vice-Chancellor sent a detailed report to the Government about the situation prevalent in the University campus. It would be useful to give extracts from this report to show how wide was the gulf between the University authorities and the District Administration :

"It is quite possible that the Vice-Chancellor may be having in mind certain incidents which took place in the premises of Gaya College, Gaya during the recent examination of students during the month of July 1968. On the first day of the examination, i.e. July 2, 1968, two Professors expelled a

number of students for using unfair means. These Professors later expressed apprehension that they may be assaulted by some students on account of their action. At this the Police arrested one student and also took steps for the protection of these two Professors. This arrest of the student was not appreciated by the University and the college authorities and the Vice-Chancellor also met me in the evening regarding this incident. As it was found that the students and the University authorities were not appreciating the context in which the arrests had been made and the agitation was taking a student vs. Police angle, it was decided that the Police arrangement at the gate of the college should be relaxed on the next day while elaborate police arrangements should be made near the college at some distance so that the Police and the Magistrate are available close to the college to effectively deal with any situation that may arise.

"The result of this withdrawal of Police from the gate of the college which was done in view of the attitude of the University and college authorities emboldened the students and one of the Professors who had on the previous day expelled some of the students from the examination hall and had also sought Police protection on the previous day, was slapped by one of the students inside the college campus. After this incident, the teaching staff of the college refused to take up the invigilation duties unless adequate protection was given to them within the college campus. In view of the agitation by the teachers, the Vice-Chancellor made a request in writing asking for deputation of Police force inside the Gaya College campus. Immediately on receipt of this request from the Vice-Chancellor, the Magistrate and the Police moved in the campus and remained there for about one and a half months to ensure peaceful conduct of the examinations.

"It may be mentioned that before the deputation of Police force inside the campus perhaps one of the students who wanted to use unfair means showed a dagger to the invigilator. Repeated requests were made both to the Vice-Chancellor and the college authorities to initiate legal action against the mischievous students who were out to disrupt the examination. The University and the college authorities were also requested to furnish the names of the students who had

shown dagger and also assaulted the Professor inside the campus so that action could be taken against them. I understand that the Vice-Chancellor also made several attempts to obtain the names of such students from the college authorities but he was not able to get the same on account of reluctance of the college authorities to furnish the names."

And when the Civil Administration acted singly and arrested a few students, the report of the District Magistrate adds :

"It may, however, be mentioned that after this action was taken, serious attempt was made by the college authorities to convince these mischievous students that the action against them had not been taken at the instance of the college authorities. I understand the Principal of the Gaya College went to the Jail and met these students to convince them that he was not responsible for the action taken against the students. The college authorities were not content with this. The Principal wrote a letter to the Subdivisional Officer on the July 21, 1968 requesting the Subdivisional Officer to make arrangements for the examination of the students who had been arrested. These students had been arrested on account of their role in disrupting the examination. They had been arrested because it was impossible for the college authorities to conduct the examination if they had been allowed to remain outside. In fact the college authorities should have taken some drastic action against these students on their own and at least expelled them from the college. The college authorities should have also initiated legal action against these students. When none of these things was done by the college authorities the District Administration on its own arrested these students. It was not proper and in the interest of discipline for the Principal to request that these students should be released so that they could take examinations. If these students had intention to peacefully take examination, there would have been no occasion for the district authorities to arrest them. The Principal was not content only with the above action. He wrote another letter to the Subdivisional Officer, Gaya on August 26, 1968 requesting for dropping the proceedings under section 107 Cr.P.C. against these students. The Principal did not realise that he is not expected to enter into correspondence with the Subdivisional Officer regarding matters with

which he is dealing with in his capacity as a court.”

In retrospect, it can be seen that a vicious circle of non-cooperation by the University authorities, indecision on the part of Civil Administration, encouragement of the rowdies because of cold feet of the Administration had set in. This led to incidents of indiscipline and lawlessness amongst the students. The college authorities could not take drastic action against the students because of fear of reprisals from the rowdies. The lack of confidence in the District Administration was also partly responsible for this inaction. The District Administration could not act strongly because they had not sufficient material before them provided by the University authorities for legal action against the bad elements. This type of stalemate continued till the serious incident of rioting took place on September 29, 1969.

(iv) *Government Interference* : The United Front Ministry in Bihar was inducted in 1967 on the crest of popular enthusiasm led by students. The new Government was more sympathetic to the grievances of the students. In April 1967, the secret circular of the Government showed a change of attitude towards the problems of indiscipline and lawlessness amongst the students. About the question of entry of Police into the educational institutions, the Government order stated:

“There is no doubt that the question of entry of Police into educational institutions is a ticklish one. The prevalent student discontent due to a variety of reasons like congestion in educational institutions, fall in teaching standards, lack of proper facilities and equipments, a certain loosening of academic discipline and political interference in academic matters, etc., has often found expression in strikes and violent agitations in the course of which students have sometimes turned against their own teachers or invigilators in examination halls, damaged the property of their own institutions and created tense situations endangering safety of life and property. All this cannot obviously be viewed with equanimity. On the other hand, traditionally and by convention, some sanctity has been attached to academic campuses largely because it has been assumed that people in academic life generally maintain a higher level of conduct and universities and colleges should be allowed to regulate their own internal life so long as they do not come in conflict with law.

The happenings in different parts of the country in the last few years and particularly in the last one year, have no doubt tarnished the image of the academics but Government are of the view that every attempt should be made to restore the respect and dignity which attaches to these institutions and force by the Police should be resorted to only when it is absolutely necessary."

The instructions issued earlier on the subject were modified :
 "In regard to instances of ordinary crime unconnected with any agitation or disturbance the Police has a right and duty to go into the campus to investigate criminal offences and take necessary legal action to the extent required and authorised by law. As a matter of courtesy and convenience of action, it would be advisable for the Police to inform and seek the permission of the Head of the Institution before entering the campus and ask for his assistance and cooperation in effecting the process of law. If the Head of the Institution is unresponsive and the required amount of cooperation is not forthcoming, the Police would be free to act under the law exercising their discretion in the light of the prevalent situation. In the following circumstances the Police should enter the campus in situations developing from student agitations or demonstrations :

- (i) When serious breach of the peace or serious injury to person or damage to property is threatened or is actually taking place,
- (ii) When other serious criminal offences are being committed inside the campus, and
- (iii) When the campus is being utilised as a base for mounting attacks in surrounding areas or on public thoroughfares.

"Ordinarily, the Police will ask for permission of the Head of the Institution before entering the campus but there may be instances when it may not be practicable to obtain such permission. For example, the head of the institution may not be available due to his being under attack or duress himself, or the means of communication like the telephone line being cut off. These examples are only illustrative and not exhaustive. In such cases or when the head of the institution denies permission without any good reason and the senior-most Magistrate or Police Officer present is satisfied that such denial is not in

the interest of maintenance of law and order and the entry of the Police into the campus cannot be delayed, the Police would be free to enter the campus and take such action under the law as may be necessary in the prevalent situation.

"In regard to situations arising from student demonstrations or ventilation of their grievances within the campus, the Police will not ordinarily enter the campus and such agitations or demonstrations should generally be left to the authorities of the educational institutions concerned. The Police may, however, enter the campus, if and when requested to do so by the Head of the Institution. The decision regarding the necessity for such entry and also the time for leaving the institution would rest with the Police."

Further, it was also desired that a Committee be constituted for each educational institution consisting of the Heads of the local institutions, selected teachers, representatives of students and leading citizens both at the district and subdivisional levels. The Committee should look into the problems of student indiscipline and guide them in keeping to the right path. This Committee was also supposed to give sympathetic consideration to the grievances of the students and it was hoped that violent acts by students will become fewer and fewer because of the functioning of such a Committee. These instructions of the Government naturally curtailed the discretion of the local administration in dealing with the problems of student indiscipline. The rowdy elements got emboldened in their evil designs and the frequency of incidents in the college campus increased sharply in 1967 and 1968. It will be interesting to note that these instructions of the Government were later withdrawn on September 6, 1968 as they had been found to be impracticable. They did not allow free play to the judgement of the local officers for maintaining law and order. In the revised instruction, the following extract will be of great interest :

"Since the responsibility of maintaining law and order is of Magistrates and Police Officers concerned, they should take care that initiative is not lost due to prolonged consultations with educational authorities."

But the mischief had already been done and obviously strong corrective steps were necessary to bring back normalcy in the college campus.

III

INCIDENT OF SEPTEMBER 29, 1969

In the atmosphere surcharged with casteism, groupism and lawlessness in the University campus, a serious incident occurred on September 29, 1969. The District Magistrate and the Superintendent of Police were busy in the programme of the Governor of Bihar who was arriving in Gaya from Delhi on that day. The other officers belonging to Police and Magistracy were given duties in connection with the visit of the Governor. The Governor arrived in Gaya at 10.00 a.m. and from the railway station he proceeded to the Circuit House and left for the aerodrome at 10.25 a.m. on way to Patna. The Senior Police Officers and the Magistrates had gone to the aerodrome to see off the Governor.

At about 10.30 a.m. a message was received in the Civil Lines Police Station from Gaya College that a serious fight with guns and weapons was going on between the two groups of students in the Gaya College campus. The Police officer sent the message to the Circuit House immediately but could not get any officer as they had already left for the aerodrome. Another message was sent to the Subdivisional Officer, Gaya Sadar. The acting SDO along with the available force rushed to the Gaya College campus and chased the students who took to their heels towards the small hill on the south of the college. Meanwhile, the District Magistrate and the Superintendent of Police arrived at the spot. The rowdies had already fled from the scene and were being chased by the force. It was reported that about 8 to 10 persons had been injured and had been rushed to the Civil Hospital for immediate medical aid. Some of them had gun shot injuries. A dead body of a student was found on the slopes of the hill, 1/4 mile from the Gaya College campus. The miscreants had hidden themselves in the bushes of the hills. About 250 Homeguards were mobilised immediately from the Police Lines about $\frac{1}{2}$ mile from the scene of the incident and the entire hill was surrounded and a combing operation was started. The Superintendent of Police supervised the operations. Four miscreants were arrested on the spot, one of them with a country made pistol and the other with blood-stained clothes. The combing operation continued till late hours, but no other miscreant was recovered. The Civil Lines Police

Station took up two cases under sections 147, 148, 302 IPC and 25(A) Arms Act against the two groups involved in the clashes. This was the climax of the caste politics and the caste rivalry in the college. One group belonged to Bhumihar community and the other to Yadavas. They had fought each other with guns, daggers and other deadly weapons and created a reign of terror in the University campus.

Further enquiries revealed that at about 10.30 a.m., about 7 to 8 students belonging to Bhumihar community led by a notorious rowdy arrived at the Gaya College gate in a taxi. The gate was closed. Two men were posted at the gate and two others went inside college premises in search of MY, the leader of the Yadava community. They enquired about MY, cut the telephone line and proceeded to the Biology block as MY was reported to be a Biology student. They fired a few shots and created terror for quite sometime. They stabbed a few professors belonging to Yadava community and also some students. MY closed the door and escaped from the back window to the nearby locality which is mainly inhabited by Yadavas. There he gathered a large number of Yadavas and they arrived in the college premises with lathis, bhalas and other weapons. Seeing a mob of Yadavas, the Bhumihar attackers took to their heels and in this scuffle one of their accomplice was killed by a gun shot injury. Meanwhile, the police and Magistrates arrived and followed the clashing groups towards the hill.

This incident naturally caused serious consternation in the town and a state of terror in the college campus. The Principal locked himself in his house and the innocent students ran helter and skelter and the college was closed *sine die*.

The District Magistrate called the Superintendent of Police and other senior officers and finalised steps with them for immediate action to control the situation. The following instructions were issued :

1. The ring leaders of both the groups who came to a clash and were still at large should be apprehended forthwith. Besides, all the accused named in the FIR should be arrested.

2. The machinery for collection of intelligence should be energised. The S.P. should coordinate the various agencies being used for the collection of intelligence and send to the District Magistrate a report by evening regarding the repercussions of the

incident amongst the students community in particular and the public in Gaya town in general.

3. Preventive action under Cr. P.C. should be taken against the likely trouble makers on the basis of intelligence.

4. Armed patrolling should continue day and night by two sections of armed force under the charge of a Magistrate. The Subdivisional Officer, Sadar would make the deputation of Magistrates for this purpose and give them suitable instructions for keeping vigilance all the time.

5. Vacation Report of the Hostels of Gaya College should be submitted to the District Magistrate.

6. Deputation of constables should be continued at strategic points in the town.

7. The exact identity of the person who had been killed should be established and reported along with a copy of the post mortem report.

A joint report on the law and order situation by District Magistrate and Superintendent of Police giving details of the incident and arrests made by the Police was sent to Government by wireless signal. Next morning the State papers carried headlines of "Caste riot in Gaya College" and the prompt manner in which arrests had been made. There was panic in the town but sufficient precautions were taken to see that there were no repercussions of the incident amongst the citizens due to caste tension. The District Magistrate met individually some prominent citizens belonging to various castes and sought their cooperation in maintaining harmony in the town.

IV

THE AFTERMATH

It was clear that the incident was a pre-planned affair and was the culmination of intense caste rivalry between the student groups brought to a head by the nomination of the leader of the Yadava group by the acting Principal as General Secretary of the common room. Some witnesses before the Abraham Commission even stated that the acting Principal had vested interest in causing this incident. This was to carry out his policy of divide and rule. The Principal-designate was to visit the college on that very day to assess for himself the situation in the college campus,

notorious for indiscipline and lawlessness. The acting Principal was interested in portraying a grim picture so that the Principal-designate was deterred from accepting the assignment. This evidence was not, however, corroborated by any other witness. Nevertheless, it was quite clear that the incident was planned to coincide with the visit of the Principal-designate and also the visit of the Governor of Bihar. The latter kept the Magistracy and Police engaged in the official visit of the Head of the State.

As soon as the information reached the Police, the Civil Administration moved promptly. The two groups were still fighting when the Police arrived at the spot. Seeing the armed Police, the miscreants took to their heels. They were pursued to the nearby hill. Some of them hid themselves in the bushes and thick vegetation on the slopes of the hill. Immediately 250 Homeguards were mustered from the Police lines and the hill was surrounded. Four accused persons were arrested on the spot while the others escaped. It was the first time that the Civil Administration was able to arrest the miscreants indulging in lawless activities on the spot. One accused person was arrested with a country made revolver. The action of the Administration was very favourably commented upon by the Press next day in bold headlines.

Immediate action was taken to station a Magistrate with armed Police near the Gaya College campus. It was difficult under the circumstances to get in touch with the college authorities or the Vice-Chancellor. This step was taken by the administration unilaterally. But keeping in view the instructions of the Government, a place was selected very close to the College campus having a common wall with the boundary of the college, so that Police force was available immediately in case of any contingency. A student leader of Bhumihaar group had been killed in this fight. Naturally, it was apprehended that the Bhumihaars might retaliate. It was, therefore, of great importance that precautionary measures were taken to thwart any repercussion of the caste tension both inside and outside the college campus. Mobile patrolling was also introduced in the town and near the students' lodges to nip any trouble in the bud.

Arrest of the Accused Persons

It was decided to deal firmly with all the accused persons in the

two cases which had been instituted by the Police against both the groups. Most of the accused had absconded. The number of arrests on the first day was 10 out of 28 persons. The Police reported that the other accused had already absconded and prayed for issue of processes under Sections 87 and 88 Cr. P.C. These processes were promptly issued by the Subdivisional Officer, Sadar, Gaya and instructions were given to the Police to execute them ruthlessly. In the next couple of weeks, all the accused persons except one had been caught by the Police. A notorious leader of the Bhumihar group, was the only person who could not be arrested by the Police. Processes under Sections 87 and 88 Cr. P.C. were executed at his village home, but it was not of much avail. Instructions were also issued to the rural Police to arrest the accused person and produce him before the Court of the Subdivisional Officer with all promptitude and diligence.

The accused could only be apprehended under dramatic circumstances. A few days after the incident, he was found roaming in a village hut and two Police constables recognised him and arrested him. The caste followers of this student leader collected and assaulted the Police party and rescued him. The information of this incident reached the District headquarters and it was decided to deal with the rowdy elements of those villages sternly. A Magistrate with armed Police and a senior Police officer was despatched to arrest them and if they absconded, to execute the processes under sections 87 and 88 Cr. P.C. against all the accused persons without showing any leniency. They went to the village but did not find any body. The properties of the accused persons were attached and the Police and the Magistrate camped in the village. The next morning the student leader along with his accomplices surrendered in the Court. This was a signal success of the sustained action of the Civil Administration. It was also the first time that a leader of the students' community charged with offences had himself surrendered in the Court. It was clear that the Administration meant business and could give, no longer, any respite to the miscreants.

Bail Petition

Soon after the rowdies had been apprehended, efforts were made by the interested parties to get them released on bail.

Political leaders and some citizens also counselled forgiveness for these lawless elements. However, it was quite clear, in the context of long history of caste rivalry, that once the accused persons were out of jail, the Bhumihar group will try to wreak vengeance on the other group. This had been the story of caste riots so far; the hooligans were arrested and immediately, thereafter, released to indulge in mutual warfare again. The Civil Administration was determined this time to ignore all such pressures for release of the accused persons. The Subdivisional Officer called for a memo of evidence in the criminal cases and, meanwhile, the accused persons were forwarded to the Central Jail, Gaya.

A fortnight after the incident, the accused persons were released on bail by the Sessions Judge and the following orders were received:

“Neither of the petitioners who has made prayer for bail is alleged to have committed any overt act in the premises of the Gaya College as to make them criminally liable. At best what they did can be said to reveal an offence under section 147 I.P.C.... In view of the nature of the allegations made against the petitioners as also in view of the circumstances of this case, it is obvious that no allegation of any overt act or any criminal act has been made out against the petitioners. Thus, in view of the allegations made, the petitioners obviously cannot be said to have committed any serious offence. Both the petitioners are directed to be released on bail of Rs. 3,000 each with two sureties of the like amount in each case.”

There was no mention anywhere that accused persons had been arrested on the spot and one of them had a country made revolver with him at the time of arrest. When the copy of this order reached the District Magistrate, he was naturally surprised. It was clear to him that the case had not been properly put up before the Sessions Court and there were obvious signs of some collusion in suppressing the facts. The Government was apprised of the facts of the case and it was strongly recommended that the concerned Assistant Public Prosecutor should be removed from the panel of the Public Prosecutors. Assistant Public Prosecutor scented this trouble and offered his resignation. The Government moved swiftly and was “pleased” to accept his resignation. Meanwhile, steps were taken to move the Sessions Court for cancellation of the bail order. It was urged before the Court

that many facts which were necessary for deciding the bail petition were not placed before it at the time of hearing. The Sessions Judge admitted the petition and stayed the previous order allowing bail for further hearing in the matter. When the matter was heard in detail on the next date, the bail petition of the accused persons was rejected. The Civil Administration thus established its *bona fide* in apprehending the accused persons and keeping them in jail custody in the wake of serious offences having been committed by them in the college premises. It was possible, therefore, to keep in custody the ring leaders of both the groups for quite sometime and this fact brought a good deal of demoralisation amongst the rowdy elements in the college. Mention has already been made of the pressures from the vested interests including politicians for the release of the accused persons. The caste leaders at the district and the State level tried their best to pressurise the Civil Administration after they had failed to gain their ends with the help of the prosecution staff. The District Administration took the plea that the cases instituted were all non-bailable in character and they had already rejected the bail petition. So the only course left to the accused persons was to go in revision before the High Court. During the President's rule which ended in the middle of March 1970, the District Administration got the support of the Government in the measures it took to restore normalcy in the college campus, but after the popular ministry took over, the State level leaders tried to pressurise the Administration through political executives. But the District Administration stood firm under difficult circumstances.

Preventive Action

The stern action by the District Administration had a sobering effect on the general situation in the college campus. The rowdy elements had been segregated from the saner elements. There was general appreciation of the action taken against the tough 'guys' who used to intimidate the innocent for their self-interest and self-aggrandisement. The Administration took one more step towards firmer control of the situation by instituting proceedings under section 107 Cr. P.C. against these miscreants. There was enough material on record to show that there was serious apprehension of breach of peace from these students if they were

enlarged on bail. The Magistrate recorded evidence in these preventive cases and asked these miscreants to execute *ad interim* bonds under section 117(3) Cr. P.C. This precaution was taken to prevent any recurrence of trouble in the event of the accused being enlarged on bail by the High Court.

Protection to Witnesses

It was very difficult to collect evidence against these goonda elements as teachers and students would not take courage to depose against them in the Court. The story so far had been that most cases instituted against them had failed due to lack of evidence. The witnesses had been threatened with dire consequences and they thought it better to be absent from the Court. The Administration now took steps for providing protection to the witnesses. One teacher of the college who appeared as a prosecution witness against these students was threatened by the accused persons. Police protection was given to him and machinery for intelligence was activated to find out and apprehend the accomplices through whom the accused persons were trying to terrorise the witnesses. Licences for purchase of pistols and revolvers were also issued to some of the Professors of the college so that they had a feeling of safety against these threats. Under the circumstances, it was possible for the prosecution to adduce evidence in the Court to ensure the conviction of the accused persons in the substantive cases.

Public Opinion against Hooliganism

In the beginning, except for mutual recrimination between the two castes, the incident hardly evoked any public criticism. The general public were apathetic and unresponsive. It was possible for the District Administration to explain its action to the prominent citizens individually in order to seek their cooperation in maintaining harmony in the town. The idea was to paint the true picture of the cantankerous atmosphere in the academic institution because of this casteism and groupism. It was also suggested that to bring about normalcy in the situation, it was necessary that the goonda elements were dealt with sternly without any distinction of caste and creed. Later, a public meeting was

also held, at which prominent citizens deprecated the organised hooliganism in the academic institutions and supported the just action of the Civil Administration in dealing with the lawless elements amongst the students.

College Administration

Public consciousness about laxity in administration of the college forced the hands of the Vice-Chancellor for appointment of a new Principal in the Gaya College. The acting Principal was removed forthwith for his inept handling of the situation. The new Principal started with a note of confidence and there was mutual recognition of the role of the college and the Civil Administration in maintaining law and order in the college campus. The Principal proceeded systematically in purging the students' lodges of the anti-social elements and appointed good teachers as wardens of these lodges. The Civil Administration activated its intelligence machinery by injecting some literate and young constables to remain in the college premises in civilian clothes to mix with the students and report their reactions to the District Administration.

The new Principal also took active steps in improving the academic atmosphere by tightening the teaching staff. It must be said to his credit that he acted impartially amongst the various groups and interests which had been formed in the previous regimes. For holding examinations, he approached the Civil Administration for help. He asked for deputation of the Magistrates and armed Police in the College campus. He also requested for continuance of deputation of force outside the campus for two months till normalcy was restored. These steps were taken in a spirit of mutual confidence with a view to curb any lawless elements which might raise its head again.

Extra Curricular Activities

The new Principal also took steps for organising extra-curricular activities in the college. Various academic societies were activated. There were dramas and debates. No doubt the District Administration was cautious in the beginning, but gradually appreciated these measures for channelling the vitality and

energy of the students in these activities. Later, it was possible for the local officers belonging to Magistracy, Police, etc., to participate in some of these activities. Good sense had prevailed and normalcy had been restored and it was possible for these activities to prosper in the freer atmosphere of the college and university.

Another Minor Incident

About 10 months after the incident mentioned above, a small incident occurred again in the Gaya College premises. Shri MY had been released on bail by the High Court and he was appearing in the examination. While he was writing his answer book, one Bhumihar teacher found him using unfair means and he warned him in the examination hall. There was some altercation between the two. As they belonged to the two prominent castes, viz., Bhumihar and Yadav, the District Administration was immediately alerted by the College authorities. It was learnt that MY threatened to assault the teacher and the teacher was planning to instigate the students and there was some caste tension again in the institution. The Principal sent a report again that the teacher was fomenting caste feeling amongst the Bhumihar students. Apprehending trouble, the District Administration acted quickly and arrested the teacher under section 153A(a) I.P.C. They also issued notices under section 117 (3) Cr. P.C. for forfeiture of the interim bonds furnished by MY at the time of his release. This action on the part of the Administration averted any further trouble. However, there was a good deal of misunderstanding with the political leaders on this issue. The District Administration had acted firmly before and had seen the results and they remained firm in their resolve to take action against the teachers also, if they took the law into their own hands. The trouble was nipped in the bud. This episode had a wholesome effect on the teaching staff as well. It clearly told them that they were not above law if they acted unwisely. No serious incident occurred in the College campus thereafter for the next two to three years.

Epilogue

Almost a year after the incident, the following letter was

received by the District Magistrate from the Principal of the Gaya College:

D.O. No. 1658/70

The 20th August, 1970

Dear Shri

I am deeply grateful to you for your very kind cooperation in all details in running the institution smoothly and peacefully.

I do realise that whenever there is likelihood of some law and order problems it is but proper not to hold such functions but at the same time I do very sincerely feel that the teacher and taught must come in close and yet closer contact to bring the college life to a normal working order. You will be glad to learn that the cultural function held on the eve of Independence Day was a grand success not only because the items were very well presented but also because it gave us an occasion to discover many a talent from amongst our students (both boys and girls) and also it brought about a very close contact between teachers and students which is really a very healthy sign of a regular growth of the institution.

I hope you will continue to extend your cooperation always to make this institution an ideal one in all respects.

Thanking you and with regards,

Yours sincerely,
Sd/- Principal

The letter refers to some cultural functions held on the eve of Independence Day in the Gaya college premises. The function was a great success. It was after many years that a rapport was being established between the teachers and the taught.

The situation obviously had stabilised and the Civil authorities also participated in the extra-curricular activities in the college and the University. A cricket match was arranged between the District Magistrate's Eleven and the University Eleven which was an event of great attraction amongst the students and the public. Many a time tennis matches were arranged and prizes were distributed to good sportsmen and other students who participated in these activities.

Routine Inspection of Gaya Jail

Sometime in September 1970 the District Magistrate had gone to inspect the Gaya Jail. While he was inspecting some wards,

10 to 12 persons came and fell on his feet praying for forgiveness. On an enquiry from the Superintendent of the Jail, it was learnt that they were the students who were involved in the incidents of September 29, 1969. A few of them had no doubt been released on bail, but majority of them were still there. The High Court had also rejected their bail petition. Though it was no longer in the jurisdiction of the District Magistrate to release these students, he obviously felt sympathy for the misguided boys who were now pleading for forgiveness. They were advised to file a fresh petition before the High Court. It was learnt later that High Court granted them conditional bail with a proviso that they should leave Gaya College and join some other College during the pendency of the cases. The situation in the Gaya college campus thereafter was completely normal and incidents of threats and assault were few and far between.

Parliamentary Election 1971

Consequent upon the dissolution of the Lok Sabha, the elections were to be held in February 1971. The attention of the District Administration was diverted to making arrangements for these elections which had created a good deal of enthusiasm in the country side. The Prime Minister visited Gaya and another place in the district and addressed huge gatherings. MY, one of the accused persons in the students' rioting case of September 29, 1969 was a candidate for this Parliamentary election. Police reports against him were very disturbing. It was learnt that he was supported by powerful caste groups of Yadavas and he was trying to capture polling booths in the Nawada Parliamentary constituency. Extensive law and order arrangements were made to counter any such lawless activities. One day while the District Magistrate was working late hours in his office, MY came to meet him. This was the first time, that the District Magistrate granted interview to a student involved in criminal cases. A young man with whiskers and fine bushy beard was ushered in by the orderly. Before a chair could be offered to him, he came forward and touched the feet of the District Magistrate. He pleaded that he was being falsely implicated by the Police, though he wished to fight a fair and impartial election. The District Magistrate promised to give him all facilities for free and fearless canvassing

but also warned him that he had already furnished interim bonds under section 117(3) Cr. P.C. for maintaining peace during the pendency of the proceedings under section 107 Cr. P.C. and if adverse reports were received against him, steps would be taken to forfeit his bonds. He promised to behave like a responsible citizen and departed. The elections were held by and large peacefully. MY lost but not disgracefully and another chapter in his career also came to a close.

ANNEXURE I

<i>Sl. No.</i>	<i>Date of incident</i>	<i>Case reference/P.O. and name of Complt.</i>	<i>Gist of the incidents</i>
1	2	3	4
1.	8.4.1967	Non-FIR case	JS, one student, attempted to assault another of [the] same College because of difference over leadership.
2.	22.7.1967	SDE No. 690 dt. 22.7.67 and SDE No. 694 dated 22.7.67.	Three students of Gaya College were appearing in University Examination on 22.7.67. One was detected talking to another by a Professor and warned. On this JS with associates entered into the hall and slapped the Professor. The Professor reported the incident in writing to Civil Lines Police through the Principal. Since it did not make out any cognisable offence, no case was taken up.
3.	1.8.67	Non-FIR case	A Professor and other teachers of Gaya College were waylaid and assaulted by six students. The Professor named 3 of the assailants before the Principal on 2.8.67.
4.	22.8.67	Non-FIR case	A Vith year student of M.U. Gaya was assaulted by unknown persons while he was on way to attend his class. Professor was suspected to have had a hand in it.
5.	24.11.67	Civil Lines PS case no. 30(11)67 u/s 148/147/326/504 IPC. SR no. 657/67. P.O. Magadh University. Complt. Shri A.K. Sinha, Controller of Examination of Magadh University.	The accused persons named in the FIR went to University office with 400-500 students, hurled abuses, forcibly entered into the University office, damaged Duplicator Machines, Almirahs after cutting telephone lines. They had gone there to force the University authorities to announce the result of the Honours subjects.

1	2	3	4
6.	12.12.1967	Civil lines PS case no. 15(12)67 u/s 147/323 IPC S.R. 675/67 P.O. Gaya College, Complt. Shri Rewati Raman Prasad.	A student of Pre-Sc. Gaya College was pushed by another in the class. A Professor made enquiries and asked one of the students to sit on the second bench. The latter left the class and came with the others and assaulted the other student with lathi in the class.
7.	13.12.1967	Civil lines PS case no. 16(12)67 u/s 147/323 IPC, P.O. Darsan Studio Complt. Shri Bimal Kumar Jain.	Two students of Gaya College went to Darsan Studio forming an unlawful assembly and assaulted a teacher there. His wrist watch was also removed by the hooligans.
8.	18.12.1967	Civil lines PS case no. 22(12)67 u/s 395 IPC S.R. no. 678/67 P.O. Chitralekha Studio, Complt. Luxman Pd. Proprietor of the Studio.	Some students raided the studio along with 50 others, broke glass-panes, etc., and removed cash box and a camera. The leather cover of the stolen camera was recovered from the room of one of the students.
9.	18.12.1967	Civil lines PS case no. 23(12)67 u/s 147/307/326/324 IPC (Sr. no. 379/67). P.O. Gaya College. Complt. Pundeo Singh.	Some persons named in the FIR entered into the compound of Gaya College along with 50-60 other students armed with deadly weapons. About 100 students belonging to other groups rushed towards them and there was exchange of fire between the two groups resulting into injuries to several students.
10.	18.12.1967	Civil lines PS case no. 24(12)67 u/s 147/148/307/326/324 IPC and 25(A) Arms Act. (SR 680/67). P.O. Gaya lodge near Gaya College, Complt. Kamta Pd. Singh.	After the class in Gaya College (vide case no. 23(12)67), some students named in the FIR raided Gaya Lodge, east of Gaya College and assaulted some other students. They were arrested with country-made gun also.

1	2	3	4
11. 21.2.1968	Civil lines PS case no. 21(2)68 u/s 147/148/323/379 IPC. P.O. Near Church, North east of Gandhi Maidan. Complt. Shyam Kishore Narain of Nadraganj.	10 students of Gaya College armed with sticks, daggers, etc. attacked and assaulted the complainant and relieved him of his belongings.	
12. 29.2.1968	Civil lines PS case no. 45(2)68 u/s 147/148/379 IPC P.O. Gaya College Complt. Lallan Pd. Gupta Roll No. 366 B.A. Part-2 Hons., Gaya College.	On 29.2.68, 25-30 students of Gaya College attacked and assaulted some other students of the college and snatched away the watch from one of them.	
13. 2.9.1968	Civil lines PS case no. 7(9)68 u/s 324/307 IPC P.O. Qr. No. 280, Anugrahpuri Colony, Complt. Prof. Bhagwanji Ojha of P.G. Department.	While one Professor was taking meal in the outer verandah of his quarter, some four persons went there and made a murderous attack with daggers on him.	
14. 26.9.1968	Civil lines PS case no. 53(9)68 u/s 148/307 IPC & 25 (A) Arms Act. P.O. Near Bar Library on Kutchehari Road, Complt. Arjun Kumar, B.A. Final student of Gaya College.	On 26.9.68 evening, 7 persons attacked the complainant and fired shots from a fire-arm on him.	
15. 28.9.1968	Civil lines PS case no. 55(9)68 u/s 148/423 IPC P.O. Gaya College. Complt. SI Raghu Nath Singh, O/C Civil lines PS.	On 28.9.68 two groups of students had a minor clash in Gaya College in which two rounds were fired from a fire arm. On arrival of the Police, all the students dispersed.	
16. 12.12.1968	Civil lines PS case no. 10(12)68 u/s 147/323 IPC P.O. Road near A. M. College, Complt. Mahfazur Rahman, student of A.M. College.	On 12.12.68, following some differences, a group of students attacked another student and assaulted him.	

1	2	3	4
17. 4.8.1969	Civil lines PS case no. 2 dated 4.8.69 u/s 147/353/427 IPC. P.O. Gaya College gate. Complt. S.I. Ram Vijay Singh of Civil lines PS.	About 300-400 students attacked the Police party posted at the gate during the examination when the S.I. took shelter in N.C.C. office, the students threw brickbats on NCC office and disconnected telephone line, etc.	
18. 16.9.1969	Civil lines PS case no. 17 dated 16.9.69 u/s 147/148/336/427/188 IPC. Complt. S.I. B.N. Singh of Civil lines P.S., P.O. Magadh University Office.	The students of Gaya College numbering about 300-400 gheraoed the officials of the Magadh University office, threw brickbats, disconnected electric connections and wrongfully confined the officers and workers inside the office.	
19. 29.9.1969	Civil lines PS case no. 31 dated 29.9.69 u/s 147/148/324/452 IPC and 25(A) Arms Act. P.O. Gaya. College.	On 29.9.69 the accused persons named in the FIR went to Gaya College armed with deadly weapons including fire-arms in a taxi and indulged in indiscriminate firing injuring several persons.	
20. 29.9.69	Civil lines PS case no. 32 dated 29.9.69 u/s 147/148/307/337/30 IPC. P.O. Gaya College. Complt. Ramakant Singh.	On 29.9.69 learning about a raid by Bhumihaar students, MY and his casteman went to chase the Bhumihaars and killed one of them.	

ANNEXURE II

<i>Sl. No.</i>	<i>Date of the incidents</i>	<i>Case reference / P.O. and names of complt.</i>	<i>Gist of the incidents</i>
1	2	3	4
1.	12.12.1963	Civil lines PS case no. 14(12)63 u/s 147/148/323/337 IPC. P.O. in front of Gaya College. Complt. Hav. Bikram Singh, SR No. 188/63.	A clash between the students of two groups in Gaya College resulting into injuries to both sides and Havildar.
2.	12.12.1963	Civil lines PS case no. 15(12)63 u/s 148/147/323/337 IPC. (SR No. 189/63). P.O. in front of Gaya College. Complt. Sant Bilash Singh.	The accused persons named in the FIR assaulted complt. after forming unlawful assembly.
3.	13.12.1963	Civil lines PS case no. 20(12)63 u/s 147/323 379 IPC. (P.O. near Bishee tank). Complt. Avimanuyee Singh.	The complt. was assaulted, who was an ex-student of Model school, by accused persons by forming unlawful assembly and also snatched away his cycle.
4.	3.4.1964	Civil lines PS case no. 3(4)64 u/s 143/114/379/323 IPC (SR no. 56/64). P.O. near Gaya College Gate. Complt. Ramdeo Singh.	JPS and other students formed an unlawful assembly and assaulted the complt. and snatched away his wrist watch.
5.	27.8.1966	Civil lines PS case no. 24(8)66 u/s 341/323 IPC. P.O. Gaya College compound. Complt. Ashoke Kumar Singh.	One Satish Singh and other students surrounded and assaulted the complt.
6.	22.7.1967	S.D.E. No. 690 dt. 22.7.67 and SDE no. 694 dated 22.7.67.	Some students of Gaya College were appearing in University examination on 22.7.67. detected talking to Raj Nandan Sharma by Prof. Vishan Pd. and warned. On this Jitendra Singh No. 2 with associates named in the FIR

1	2	3	4
			<p>entered into the hall and he slapped Prof. Vishan Pd. Shri Vishan Pd. reported the incident in writing to Civil lines Police through his Principal. Since it did not make out any cognizance offence, no case was taken up.</p>
7. 24.11.1967	<p>Civil lines PS case no. 30(11)67 u/s 148/147/326/504 IPC. SR no. 657/67. P.O. Magadh University. Complt. Shri A.K. Sinha, Controller of Examination of Magadh University.</p>		<p>The accused persons named in the FIR went to University office with 400-500 students, hurled abuses, forcibly entered into the University office, damaged Duplicator machines, almirah after cutting telephone lines. They had gone there to force the University authorities to announce the result of Honours subjects.</p>
8. 18.12.1967	<p>Civil lines PS case no. 22(12)67 u/s 395 IPC. SR no: 678/67. P.O. Chitrlekha Studio. Complt. Laxman Pd. Proprietor of the Studio.</p>		<p>Jitendra Singh and others named in the FIR raided the studio along with 50 others, broke glass panes, etc., and removed cash box and a camera. The leather cover of the stolen camera was recovered from the room of Jitendra Singh No. 1.</p>
9. 8.4.1967	Non-FIR case		<p>Jitendra Singh No. 2 Tago B.Sc. Part I Gaya College attempted to assault Jitendra Singh No. 1 B.A. Final of the same College because of difference over leadership.</p>

Groundnut Oil Crisis 1963-64

K. SIVARAJ

There was a serious crisis in Gujarat in 1963-64, created by unprecedented increase in the prices of groundnut oil. The Zonal System restricting the movement of foodgrains from State to State imposed in March 1964, had led to steep increases in the price of foodgrains. The hard hit public of Gujarat became naturally restive, and to meet their clamorous demand, the Government of Gujarat was compelled to adopt certain measures.

Oils and oil seeds play an important role in the food economy of India. In view of their universal usage, edible oil seeds and oils have been treated as essential commodities within the purview of the Essential Commodities Act, 1955. Government is, therefore, greatly concerned with their production, supply, equitable distribution and availability at fair prices, and also with the trade and commerce therein.

Amongst the available vegetable oils in India, groundnut accounts for the major part; other available vegetable oils are sesamum, rape/mustard and cotton seed oil. The yearwise production of groundnut from 1951-52 and 1959-60 to 1965-66 is given at Appendix I. The figures of production of groundnut for All India and Gujarat for important years are given below :

Years	Production (in lakh tonnes)		Percentage Increase		
	All India	Gujarat	Period	All India	Gujarat
1950-51	34.3	3.8			
1951-52	31.4	1.6			
1955-56	38.0	3.4	1955-56 Over 1950-51	+11.8	-10.5
1956-57	43.0	8.7			
1960-61	43.9	11.9	1960-61 Over 1955-56	+15.5	+250.0
1961-62	46.1	14.6			
1963-64	52.1	12.5	1963-64 Over 1951-52	+65.7	+695.5

The table shows that in the year 1963-64 the production of groundnut had increased over that of 1951-52, by 65.7 per cent for All India and 695.5 per cent for Gujarat. Gujarat produces about 1/6th of the total production of oilseeds and 1/4th of the total production of groundnut in India.

Improved social, economic and health conditions had resulted in the increased per capita consumption of vegetable oils. Population had increased by about 22 per cent in the ten years 1950-51 to 1960-61, while the production of oil seeds had increased by about 29 per cent only. In view of the increased population, better expectation of life, improved economic and social conditions and the need to earmark some quantity for export outside India to secure foreign exchange, the increase in production of oil seeds could not be considered as substantial in comparison with the requirements. The situation was, therefore, taken into account while preparing the Third Five Year Plan and a production target of 9.8 million tonnes was laid down representing an increase of 38 per cent over the assumed production of 7.1 million tonnes in 1960-61 (the actual production of 1960-61 being 6.52 million tonnes, the increase contemplated was about 50 per cent) and it was observed that intensive efforts would have to be made to increase the production of commercial crops (including oil seeds) even by diverting the areas under cultivation of millets.

It is against this background that the regulatory measures introduced for the first time by the Government of India and the Government of Gujarat should be looked into.

The production of oilseeds in India and Gujarat in the year 1963-64 are given below with their break-up;

(In 00 tonnes)

Commodity	Production in India	Production in Gujarat
1. Groundnut	52,070	12,506
2. Sesamum	4,040	211
3. Castor	990	193
4. Rape seeds and Mustard	8,950	132
5. Other oilseeds	3,790	—
6. All oilseeds	69,840	13,042

Thus the production of oil seeds and groundnut in Gujarat during the year 1963-64 was about 18.70 per cent and 24 per cent of the total production of oil seeds and groundnut in India. The production of oil from groundnut whole is estimated to be about 30 per cent of the quantity crushed. The production of groundnut oil in Gujarat during the year 1963-64, after deducting the requirement for direct consumption and for sowing purposes was as under:

(In lakh tonnes)

1. Production of groundnut whole	12.50
2. Seeds at 70 % of the above	8.75
3. For seeds and direct consumption (12% for seeds and 8% for direct consumption)	1.75
4. Seeds available for crushing	7.00
5. Production of oil (at 40% of the above).	2.80

According to the National Sample Survey, carried out by the Bureau of Economics and Statistics, the *per capita* monthly consumption of groundnut oil in Gujarat State during the years 1960-61, 1962-63 and 1963-64 was as under:

(In deshi seer of 40 tolas).

Round	Reference Year	Rural	Urban	State
16th round	1960-61	0.92	1.28	1.00
17th round	1961-62	1.00	1.14	1.04
18th round	1963-64	1.22	1.60	1.32
		<hr/>	<hr/>	<hr/>
		1.05	1.34	1.12
		<hr/>	<hr/>	<hr/>

Average (491 gms.) (626 gms.) (523 gms.)

These figures relate to direct personal consumption obtained from the informant household, and excludes the consumption of the item in non-domestic use like restaurants, industries, shops and establishments, etc. It will be seen that the domestic household

per capita consumption of oil had increased substantially during the year 1963-64 in comparison with 1960-61. The estimated population of Gujarat during 1963-64 was 2.24 crores (estimated increase at 2.8 per cent per year over 1960-61 figures). If the *per capita* monthly household consumption is taken at the rate of 500 gms. (instead of 523 gms.), it comes to more than 1.34 lakh tonnes. Besides, there were about 363 soap manufacturers and five vanaspati manufacturing factories. The figures of consumption of groundnut oil by these industrial units were not available but taking into consideration their production capacity, it was assessed that the consumption for industrial purposes was about 34,000 tonnes. To sum up, the requirement of groundnut oil was estimated as under:

	(In lakh tonnes)
1. Household consumption	1.34
2. Bulk consumption (for restaurant and hotels, etc.) (Estimated at 10 per cent of household consumption)	0.13
3. Industrial consumption	0.34
	<hr/>
Total	1.81
	<hr/>

Taking into consideration the estimated production of groundnut oil and estimated requirement in Gujarat, it could be said that about 0.99 lakh tonnes was the exportable surplus (outside the State) during the year 1963-64.

In order to appreciate the background of the groundnut oil crisis, it will be necessary to set out the repercussions on the State of the zonal system introduced by the Centre on the movement of foodgrains.

From 1960 onwards there were Regional Zones for foodgrains and Gujarat formed part of the Madhya Pradesh-Maharashtra-Gujarat Zone in respect of rice and wheat. Wheat was removed from the zone in 1961 and only rice continued to be in the zone. However, in March, 1964 when the single State zone for wheat was created after the Chief Ministers' Conference, simultaneously there was an informal Statewise zone for movement of rice and coarse grains and Madhya Pradesh placed difficulties in the supply

of rice to Gujarat and Maharashtra, though the single State rice zone was created from November, 1964 and coarse grains zones a little later. The movement of rice and coarse grains to Gujarat on account of this had practically stopped from March, 1964. The Government of Gujarat had opposed the creation of zones as it was highly deficit in foodgrains, and was a traditional importer of several lakh tonnes every year from other States. Gujarat's deficit was about 15.8 lakh tonne comprising 11.5 lakh tonnes of cereals and 4.3 lakh tonnes of pulses based on the requirement of 16 ozs. of cereals and 3 ozs. of pulses. Such curbs in the free movement of foodgrains resulted in steep rises in the prices of wheat, rice, jowar and bajra in the State as will be clear from Appendix II.

From March, 1964 onwards the demand for wheat in the State through the Fair Price Shops stepped up by leaps and bounds and the Government of India increased the allotments but they were not sufficient and the movement was sluggish resulting in heavy backlog of stock to be moved. From 7,000 to 8,000 tonnes of rice allotted in March, 1964, the allotment increased to 15,000 tonnes in June and later on the Centre was giving over 20,000 tonnes per month. In wheat, the allotment increased from 18,000 tonnes in March, 1964 to 42,000 tonnes in May, 1964, 46,000 tonnes in July, 1964 and 60,000 tonnes in August, 1964 and later the Centre gave about one lakh tonnes of wheat per month in 1965. There was clamour from all over the State for the removal of zone system and with the unprecedented spiralling of groundnut oil prices, there was a vociferous demand for an oil zone if the food zones were to continue, as Gujarat was surplus only in oil.

A statement showing maximum and minimum prices of groundnut oil during the years 1961, 1962, 1963 and 1964 is given at Appendix III; another statement showing the prices in June-July 1964 may be seen at Appendix IV. In the beginning of the season, *i.e.*, in the month of November, 1963 the price per tin of 16 kgs. was about Rs. 27.84 in Gujarat and it rose to Rs. 31.70 to Rs. 32.80 in the month of April, 1964 and Rs. 33.82 to Rs. 39 in May, 1964 (these wholesale prices were to reach Rs. 45 or so in July, 1964, the retail prices after sales tax, etc., would be Rs. 2 to Rs. 2.50 more). The continuous rise in the price of groundnut oil in a year which was relatively good caused anxiety to the

Government of Gujarat. The State Government moved the Government of India in the month of May, 1964 to adopt some measures to curb the abnormal rise in price of the oil. As a first step, the Centre banned the forward trading in groundnut and groundnut oil with effect from June 14, 1964 without much effect. The Reserve Bank of India also put restrictions on the margin on the advances by the Banks against groundnut/groundnut oil and vanaspati from July 9, 1964 which did not help to arrest the prices.

There was a news item in *Jan Satta*, one of the leading dailies of Gujarat, on May 22, 1964 that the State Trading Corporation had exported 50,000 tonnes of groundnut oil to Burma from Saurashtra Ports. The report added that the State Trading Corporation should consult the State Government before purchasing oil so that the Government could consider the local needs of the people to avoid scarcity. This report was brought to the notice of the Central Government in June, 1964 by the Government of Gujarat with a request not to allow such bulk quantities to be purchased for export outside the country without consulting the State Government. The *Economic Times* published a report on July 5, 1964 that the Government of India would be importing one lakh tonnes of Soyabean oil and some tallow under PL-480. In its issue of July 7, 1964 the paper published a report pleading for expediting the import of Soyabean oil, oil seeds and oil to tide over the then critical situation and mentioned that the Indian Oil and Produce Exporters Association, Bombay had urged the Government to stop export of groundnut oil forthwith. The Centre was again addressed on July 8, 1964 by the Government of Gujarat to ban the export of oil outside the country as the steps taken to prevent forward market, etc., had not secured the desired results. The Government of India banned the export of all edible oils with effect from July 11, 1964.

The *Economic Times* referred to the spurt in prices of groundnut oil on various occasions and gave figures of export of groundnut oil outside the country. In its issue of July 13, 1964, it mentioned that export of groundnut oil from November, 1963 to June, 1964 amounted to 74,324 tonnes according to Indian Oil and Produce Exporters' Association; the break-up was: from Bombay 17,722 tonnes, from Saurashtra 46,702 tonnes and from Madras 9,900 tonnes (it may be noted that the bulk of the exports from Bombay would have been of oil secured from Gujarat). It repeated more or

less the same figures in its editorial of July 14, 1964 and in its issue of July 17, 1964, it further mentioned the groundnut oil prices touched an all time high of Rs. 2,600 per tonne and that the export during the four months from December, 1963 to March, 1964 amounted to 68,868 tonnes and thus the exports of the crop year 1963-64 estimated at about 74,000 tonnes had all been compressed within the few months from December, 1963 to March, 1964 against an almost year-long spread of export during the previous season. The paper also observed that the ban on Forward Trading, curbs on Bank advance and restriction on exports had failed to check the rising trend in prices; the steps already taken had hardly altered the supply position which continued to be tight. The paper opined that the virtual failure of the mustard crop was the principal reason for the shortage of edible oils. The same paper mentioned on July 16, 1964 commenting on the ban on export of edible oil, that, as against an export of 7,000 tonnes of groundnut oil in 1961-62, the exports in 1963-64 had risen to 97,000 tonnes and that the year 1963-64 had been rather an extraordinary year for the export of groundnut oil. In 1963-64, the crop production was somewhat better than in the previous year, it was apparent therefore that the rise in price was the result of the large scale export of oil within a short period. The Government of India's decision to enter into agreement with the United States Government for importing one lakh tonnes of Soyabean and some tallow under PL-480 (vide report of *Economic Times* dated July 5, 1964) has significance in this context.

These measures failed to make an impact on the prices in the State as the supply position of groundnut oil was not satisfactory. The Gujarat Government obtained information from the districts about the supply position of oil in the State during the months of May and July which revealed the following:

May 31, 1964	72,450 tonnes
July 12, 1964	23,119 tonnes (obtained by July 14, 1964).

The crushing of groundnut is usually at its peak during the months of November to March-April and the period from July onward is the fag end of the season. So there would not have been substantial increase in the supply of groundnut oil even though export restrictions were placed in the beginning of July,

1964. The monthly requirement of groundnut oil for all purposes would be about 15,000 tonnes while the stock of groundnut oil on July 12, 1964 was only 23,119 tonnes. This was just enough for about a month-and-a-half though three-and-a-half-months still remained for the new oil to arrive.

The rising price of foodgrains, gur and groundnut oil caused serious concern to the Government of Gujarat. Political parties and the general public took out processions and *Morchas* demanding these commodities at cheaper and reasonable prices. The demand for placing inter-State restrictions on the movement of groundnut and groundnut oil was also raised from every corner of the State to check the rising prices of groundnut oil and to maintain at least the lean supply. The position was fast deteriorating and the Gujarat Government feared that the law and order situation would go out of hand, if immediate measures were not taken to bring a fall in the price of oil. The public of Gujarat was particularly critical about the steep rise in the price of groundnut oil which was the only commodity in which the State was surplus. In respect of other commodities like rice, wheat and gur in which this state was deficit, the prices had risen very high as against the prices ruling in the surplus States of Madhya Pradesh, Punjab and Rajasthan. The Government of Gujarat was finding it impossible to explain and justify this strange and anomalous position to the public at large.

The following excerpts from *Gujarat Samachar*, one of the leading dailies of Gujarat, of July, 1964 show the situation that developed in the State:

Date	News
July 3, 1964	The open market prices of groundnut oil are at the maximum taking into consideration last ten years prices. The ban on future trading has failed. During one week there is an increase of Rs. 3 to 4 per tin.
July 4, 1964	Janata Parishad started agitating as the rising trend of prices of foodgrains and edible oil continued. Jan Sangh will march to Legislative Assembly. Difficulties due to Zonal Systems.
July 5, 1964	Price rise in item like oil—Gujarat should keep

its oil within Gujarat itself—Do not cooperate with Central Government; the Merchants and Banks are selfish—Take consensus about oil prices—People will not forgive if the export of oil is not banned.

The State Government is helpless for export ban on groundnut oil without with concurrence of the Central Government.

July 9, 1964

Bombay—A large quantity of oil being exported — the rising trend is due to large export. Export of oil in railway tank wagons to Delhi and Calcutta from Saurashtra—creates anxiety to Gujarat.

State Cabinet discussed the problems of the rising trend of prices of foodgrains and groundnut oil. The Janata Parishad chalked out the programme of agitation and picketing on August 5, 1964 on the shops of oil dealers.

July 10, 1964

The visit of Union Food Minister to Ahmedabad on July 20, 1964 for problem of oil and foodgrains—Cabinet discussed the problem for 2½ hours—The Central Government only can take steps in regard to export ban on foodgrains and oil.—Appealed to millers and merchants not to make more profit—there should be export ban for the period of one month.

Shri Indulal Yagnik (Janata Parishad leader) warned that if the rising trend in oil prices was not checked the programmes of hunger strike, picketing, Satyagrah, etc, would be arranged—the reasons of rising trend are (1) the export policy of the Government, (2) hoarding, and (3) liberal advances.

July 11, 1964

The general meeting of the Gujarat Pradesh Congress has strongly appealed for the removal of the export ban on wheat, rice and gur and for controlling the prices of oil—the representatives will meet the Union Food Minister.

July 13, 1964

Drastic steps should be taken to bring down foodgrains prices—suggestion of City Congress

- Committee—also suggested ban on the export of oil.
- July 14, 1964 In the meeting of Ahmedabad Food Advisory Committee, Shri Yagnik urged taking possession of all the stocks of oil and fixing the wholesale and retail prices.
- July 15, 1964 The representatives of the Food Advisory Committee discussed with the Civil Supplies Minister on July 14, 1964 and represented freezing of the stocks of oil and foodgrains—there should be buffer stock of 25 per cent of groundnut whole. All States have continued the restrictions on foodgrains, why then there should not be export ban on oil?.
- July 16, 1964 The Members of the Working Committee of the Congress MLAs decided to meet the Union Food Minister to request for the removal of zone system. Even though the Central Government had removed the restrictions on coarse grains, the surplus States continued the restrictions.
- July 18, 1964 Janata Parishad decided to celebrate “Cheap Oil Week”—*Tel Songhvari Saptah* from 19th and further decided to take *Morchas* and make a demand that when other States create foodgrains zones, Gujarat should also create oil zone—the temptation of earning foreign exchange by heavy exports is bad.
- Meetings and processions on July 23, 1964 in connection with the “Cheap Oil Week”. Processions in the areas of Banks; godowns, oil dealers’ shops and raising slogans for cheap oil.
- July 19, 1964 On account of rising prices, the Central Government totally banned the export of oil and oil seeds from July 18, 1964, this was at the instance and the suggestion of the Gujarat Government. The Gujarat Chamber of Commerce discussed the problems of huge profit being made in oil — Appointed a Committee for formulating scheme of distribution of oil at reasonable rates — Opined that the prices had risen on account of

- huge export and Government should take up the question—Suggested that the vanaspati factories should not be permitted to purchase oil.
- July 20, 1964 Government of India after placing the ban on the export of oil outside India decided to effect 50 per cent production cut on vanaspati—This was also suggested by the Government of Gujarat. Representatives of Janata Parishad decided to meet the Union Food Minister for giving permission for creating oil zone in Gujarat.
- July 21, 1964 Baroda District *Samyukta Sangram Samiti* decided to take processions to oil mills to press them for selling oil at cheaper rates. Export of oil continued from Saurashtra — continued trend of rising prices.
- Union Food Minister Shri Subramanian decided to visit Ahmedabad for two days—Members of Janata Parishad, S.S.P. and Jan Sangh decided to demonstrate before the Union Minister demanding oil zone on the lines of foodgrains zones.
- July 22, 1964 Leaders and Members of the opposition demonstrated before the Union Food Minister with banners demanding permission to create oil zone. Oil Merchants' Association suggested ban on the export; Members of the Gujarat Legislature Congress Committee and the City Congress Committee also represented for a ban on the movement of oil immediately as the prices rose more than 70 per cent and demanded taking of steps for reducing oil prices.
- July 23, 1964 Gujarat Government banned the export of oil and groundnuts and issued order for compulsory declaration of stocks. Prices showed downward trend.

The Government of Gujarat had considered the following measures for checking the steep rise in the price of groundnut oil :

1. Imposing restrictions on the movement of groundnut oil beyond the State limits;
2. Fixing the prices at which Government can requisition

- groundnut oil;
3. Fixing maximum and minimum prices of groundnuts (whole), groundnut seeds and groundnut oil;
4. Imposing restrictions on bank credits on groundnuts and groundnut oil;
5. Imposing limits on stock-hoarding of groundnuts, groundnut seed and groundnut oil by vanaspati and soap manufacturing industries;
6. Imposing a ban on the licensing of any additional capacity in the vanaspati industry;
7. Getting a firm declaration from Government of India that there will be no export of groundnut, groundnut seeds and groundnut oil from the country during the forthcoming season.

As the Government of India was not contemplating the removal of inter-State movement ban in other commodities like rice, wheat, other foodgrains, gur, etc., the Government of Gujarat, though not in favour of inter-State movement restrictions but having no conceivable alternative to check the steep rise in the price of groundnut oil, felt compelled by the shortage of oil available in the State and the circumstances mentioned above to request the Government of India to allow inter-State movement restrictions being placed on groundnut and groundnut oil. The then Union Minister, Shri Subramanian was also requested to visit the State for an on-the-spot study of the foodgrains and groundnut oil position, which he did on July 21, 1964. He realised the gravity of the situation and agreed to the imposition of inter-State movement restrictions on groundnut and groundnut oil. The Government of Gujarat, therefore, issued the following two orders on July 22, 1964:

1. The Gujarat Groundnut (Transport Control) Order, 1964—Restricting inter-State movement of groundnut/groundnut oil;
2. The Gujarat Groundnut (Declaration of Stock) Order, 1964—Directing every person holding in his possession or under his control stock of groundnut in excess of 150 kgs. to declare the same in writing to Collectors/Mamlatdars.

These orders were made under the Defence of India Rules, 1962.

The inter-State movement restrictions arrested the rising trend in the price of groundnut oil but as the stock position of groundnut oil was not good, the prices did not decline below Rs. 36-37 per tin (the wholesale prices had risen as high as Rs. 45 per tin from around Rs. 30 per tin in January, 1964). Moreover, as vanaspati and solvent groundnut oil were not covered within the purview of the movement restrictions under the Gujarat Groundnut (Transport Control) Order, 1964, groundnut oil continued to be exported in the form of vanaspati and solvent groundnut oil. To prevent this, the Gujarat Government issued administrative instructions to the District Authorities to advise the vanaspati manufacturers to desist from making heavy purchases of groundnut oil and to see that the solvent extracted oil was exported only on the strength of permits. The Government of Gujarat also made appeals to the millers and dealers for checking the rising price and to see that the consumers got groundnut oil at a reasonable price. But the position had not improved and the prices continued to remain more or less at a high level beyond the reach of most of the consumers at large. In order to bring down the groundnut oil prices in the market and to give statutory effect to the regulatory measures adopted by Government, the State Government thought it necessary to control the oil prices. The Government of Gujarat, therefore, issued the Gujarat Groundnut Oil (Prices Control) Order, 1964 on July 31, 1964 to control the prices at a rate not exceeding Rs. 1.95 per kilo.

In spite of these regulatory measures, the stock position of groundnut oil continued to be unsatisfactory and the general consuming public was not able to get their requirement of groundnut oil at the fixed price. It was, therefore, decided by the Government to make a Licensing Order for carrying on the business in groundnut and groundnut oil and also for checking the purchases, sales and stock position of groundnut and groundnut oil. Accordingly, the Gujarat Groundnut Dealers' Licensing Order 1964 was made with effect from August 4, 1964. Under the provisions of this Order, a person who, whether for commission, remuneration or otherwise and whether or not in conjunction with any other business, carries on the business of purchasing, selling, manufacturing or storing for sale—(1) Groundnut in quantity exceeding 150 kgs. at any time or (2) Groundnut oil in quantity exceeding 50 kgs. at any one time—was required to take out a

licence, and without the licence he could not do business as a dealer.

The stock position declared under the Gujarat Groundnut (Declaration of Stocks) Order, 1964 as on July 25, 1964 was as under (as reported in the first week of August):

Groundnut	: 32,469 tonnes, <i>i.e.</i> , 9,740 tonnes in terms of oil.
Groundnut seeds	: 5,342 tonnes, <i>i.e.</i> , 2,137 tonnes in terms of oil.
Groundnut oil	: 25,749 tonnes.

Out of this, some quantity was necessary for seeds and direct consumption; however, if all the stock of groundnut/groundnut oil declared was taken into consideration then in terms of oil the total stock was 37,626 tonnes (at the rate of 30 per cent in case of groundnut and at the rate of 40 per cent in the case of groundnut seeds). The monthly requirement of groundnut oil being 15,000 tonnes for all purposes, the stock of groundnut oil was not considered sufficient even for a period of three months, *i.e.*, till the commencement of the new season. Further, this stock was unevenly distributed and as such, in some pockets of the State, it so happened that the consumers were not able to get their requirements of groundnut oil. Anti-social elements took advantage of this situation. The State Government, therefore, decided to purchase and to requisition the stock of groundnut oil and to distribute the same on identity cards through the Fair Price Shops. Meetings with the District Authorities of the surplus districts (*i.e.*, districts of Saurashtra area) were also held and the question of movement of groundnut oil to the deficit areas was considered. The Government set up the administrative machinery as well as the purchasing machinery for requisitioning the stock of groundnut oil and for moving the same to the deficit districts. With the help of the Gujarat State Cooperative Marketing Society, a quantity of about 2,400 tonnes of oil was purchased from surplus districts and about 2,390 tonnes of oil distributed in the deficit districts at the rate of Rs. 1.95 per kilogram on identity cards to the general consuming public.

To meet with the shortage of oil during the period from July to October 1964, the State Government adopted a number of measures, and strengthened the administrative machinery. Further, to deal with the increasingly difficult groundnut oil situation and

to punish unscrupulous dealers and anti-social elements engaged in the business of hoarding and concealing groundnut oil, the State Government introduced a scheme under which persons who furnished true information about concealed stock of groundnut oil would be rewarded by prizes at the rate prescribed by the Government. Representations from other States as well as from dealers were received for allowing the export of groundnut oil but as the supply was hardly sufficient to meet the internal requirements, the State Government did not find it possible to allow the export. The oil crisis of the year 1963-64 was unprecedented in the history of the State and the State Government felt that had it not made the regulatory orders, the position would have fast deteriorated and the law and order position which was worsening would have been gravely jeopardised.

The extent to which the public mind was exercised by the steep increase in the price of oil and foodgrains was reflected in the debate in the Gujarat Legislative Assembly in September, 1964. Leaders of the opposition moved a no-confidence motion in the Legislative Assembly on the shortage of Essential Commodities and rise in their prices. This was discussed on September 1, 2 and 3, 1964. Members of the opposition strongly criticised the zonal system of foodgrains and Government's failure to take timely action for banning the export of groundnut and groundnut oil and stabilising/controlling the price of groundnut oil. They also expressed the view that the State being deficit in foodgrains and cereals, the consumers had to pay higher prices on account of zonal restrictions while even for commodities like groundnut oil in which the State was surplus, they had to pay higher prices. Members of the ruling party appreciated the Government action in placing an export ban on groundnut and groundnut oil and emphasised that, if the export ban had not been made, groundnut oil prices would have soared much higher and one could not have got oil even at Rs. 60 per tin. The Minister of Civil Supplies gave a brief account of the various steps taken by the Government for maintaining the availability of groundnut and groundnut oil and for securing its equitable distribution at fair prices. The then Chief Minister also explained the circumstances under which the State Government had to adopt the control measures.

Again, on September 21, 1964, a resolution on the shortage of groundnut oil in the State, treating it as a matter of urgent public

importance, was moved in the State Assembly and it was discussed for about four hours. During the discussion, the Members of the opposition vehemently criticised the Government and gave instances of non-availability of oil even if one was prepared to pay higher prices. They repeated that Government had failed to take timely action and expressed the view that as the export ban on groundnut and groundnut oil was not made applicable to the solvent extracted groundnut oil, refined oil and vanaspati, there was clandestine export of groundnut oil and large purchases and consumption by vanaspati manufacturers. They further said that consumers and middle class persons had to undergo great hardship on account of the shortage of groundnut oil and consequent high prices; for obtaining the meagre quantity of 100 gms. of oil, women had to stand in queues for a long time. The State Civil Supplies Minister gave in brief the history of the steps taken by the Government in the matter and also why the controls had to be introduced by the State Government.

The State Government announced in the Assembly on September 3, 1964 that the regulations on groundnut, *i.e.*, the Price Control Order, the Stock Declaration Order and the Licencing Order would not apply to the new crop. Accordingly, on the advent of the new crop, with a view to safeguard the interests of the producers (inasmuch as they should get adequate prices for their produce and the dealer should not exploit them on the ground of Price Control, etc.), the State Government decided to rescind all the regulations, except the Gujarat Groundnut (Transport Control) Order, with effect from October 2, 1964. The Chief Minister of Gujarat State in his speech broadcast from All India Radio on November 4, 1964 announced that the export of groundnut oil and its products outside the State of Gujarat will be allowed on permits from November 10, 1964.

After considering the overall situation, the Gujarat Government decided to regulate the export in such a way that other States got adequate supplies of edible oil without creating shortages as far as possible within the State. Accordingly, it was decided to allow the movement of a reasonable quantity of groundnut/groundnut oil outside the State on permits at the rate of 80 per cent and 40 per cent of the total export actually made during the corresponding period of November, 1963 by a person other than a commission agent, and by a commission agent respectively.

This procedure continued till November 26, 1964 when the Gujarat Groundnut (Transport Control) Order, 1964 was amended providing for the free movement of groundnut oil.

With a view to ascertain the stock position of groundnut and groundnut oil and the export of groundnut and groundnut oil, the State Government again issued the Gujarat Groundnut Dealers' Licensing (No. II), Order, 1964 with effect from November 27, 1964.

The estimated production of groundnut oil for the year 1964-65 (generally the season begins from November and ends in October of the next year) was as under :

	<i>(figures in lakh tonnes)</i>
1. Groundnut whole	15.61
2. Conversion into groundnut seeds at 70 per cent	10.92
3. For seeds and for direct consumption (12% for seeds and 8% for direct consumption)	2.18
4. Groundnut seeds available for production of groundnut oil	8.74
5. Production of groundnut oil at 40 per cent of the above	3.50

As against the estimated production of 3.50 lakh tonnes of oil, the quantity of about 1.81 lakh tonnes was considered as the estimated internal requirements. Thus the exportable surplus was estimated at 1.69 lakh tonnes. On account of the free and unbridled export (outside the State) of groundnut oil, its price again started rising. For maintaining adequate supplies of groundnut oil and for ensuring its equitable distribution at fair prices, the State Government introduced a voluntary levy scheme with effect from January 10, 1965 at the rate of 22½ per cent of production, in consultation with the millers and vanaspati manufacturers. For purchasing this oil, the purchase price was fixed at Rs. 1.75 per kilogram.

On account of the heavy outflow of groundnut oil from the State and reduced production during the lean period, the groundnut oil prices started rising and hence almost all the consumers turned to Fair Price Shops for their requirement of groundnut oil. In order to meet the increasing demand of groundnut oil and

also in order to maintain the supply position, the State Government in consultation with the millers' associations increased the percentage of procurement of groundnut oil from $22\frac{1}{2}$ per cent to 35 per cent with effect from July 12, 1965. The purchase price was also increased from Rs. 1.75 per kg. to Rs. 1.90 per kg. Under the voluntary procurement scheme, a stock of about 50,000 tonnes of groundnut oil was collected through District and Taluka Purchase and Sales Unions during the period from January 10, 1965 to October 1965. The quantity of groundnut oil so procured and purchased was distributed through the Fair Price Shops on identity cards to the consumers at rates varying from Rs. 2 to Rs. 2.40 per kg.

APPENDIX I

* STATEMENT SHOWING THE COMPARATIVE FIGURES OF GROUNDNUT CROP IN INDIA AND GUJARAT

Year	India — Production (in 000 tonnes)	Percentage on the basis of 1951-52	Increase or decrease in percentage	Gujarat (In 00 tonnes)	Percentage on the basis of 1951-52	Increase or decrease in percentage	Proportionate increased production in Gujarat	Production of Gujarat in comparison with India in percentage
1	2	3	4	5	6	7	8	9
1951-52	3,142	100.0	—	1,572	100.0	—	—	5.0
1959-60	4,490	142.9	+42.9	9,268	589.5	489.5	446.6	20.6
1960-61	4,391	139.7	+39.7	11,945	759.8	359.3	620.1	27.2
1961-62	4,611	146.7	+46.7	14,563	926.4	826.4	779.4	31.5
1962-63	4,745	151.0	+51.0	10,378	660.1	560.1	509.1	21.0
1963-64	5,207	165.7	+65.7	12,506	795.5	695.5	629.8	24.0
1964-65	6,175	196.5	+96.5	15,612	993.1	893.1	796.6	25.2

SOURCE :- *As per "Statistics of area, production and yield per acre of principal crops in Gujarat State, etc." Published by the Director of Agriculture, Ahmedabad.
For 1964-65 "Agricultural Situation in India" February, 1967.

APPENDIX II

MAXIMUM WHOLESALE PRICES PREVALENT IN GUJARAT, MADHYA PRADESH AND PUNJAB DURING 1963 TO 1965
(PRICE IN RS. PER QUINTAL)

Quarter ending	Wheat Ordinary			Rice Coarse			Jowar			Bajra			Maize		
	Guj.	M.P.	Pun.	Guj.	M.P.	Pun.	Guj.	M.P.	Pun.	Guj.	M.P.	Pun.	Guj.	M.P.	Pun.
31.12.1963	52.00	50.05	43.75	75.50	62.00	44.21	41.50	37.00	N.A.	45.00	N.A.	42.75	37.75	N.A.	35.15
31.3.1964	58.00	53.10	N.A.	71.00	61.00	44.21	45.00	39.00	41.55	51.50	N.A.	48.25	43.50	N.A.	39.40
30.6.1964	64.50	53.95	48.50	102.50	63.00	44.21	58.00	42.50	56.25	61.00	N.A.	54.00	58.00	N.A.	47.50
30.9.1964	65.00	64.05	58.50	107.50	60.61	46.89	75.00	47.00	73.00	64.00	N.A.	61.50	63.00	N.A.	60.00
31.12.1964	74.50	66.80	71.00	69.60*	58.23*	60.00*	92.00	52.00	51.25	74.50	N.A.	65.25	56.00	N.A.	54.25
31.3.1965	75.25	57.65	68.50	69.60*	58.23*	60.00*	95.00	40.50	58.55	76.25	N.A.	54.00	55.00	N.A.	52.00

*Statutorily fixed.

APPENDIX III

STATEMENT SHOWING THE PRICES OF GROUNDNUT OIL DURING THE YEAR 1961, 1962, 1963 AND 1964
(PRICES PER TIN OF 16 KILOGRAMS) IN GUJARAT STATE

Months	1961		1962		1963		1964	
	Maxi.	Mini.	Maxi.	Mini.	Maxi.	Mini.	Maxi.	Mini.
January	33.40	33.00	31.04	30.40	28.00	25.76	31.04	29.44
February	33.64	32.80	31.84	31.04	28.25	26.40	32.48	31.52
March	37.08	35.68	33.00	31.84	26.72	26.08	32.00	31.52
April	37.08	34.72	32.75	31.50	28.48	26.88	32.80	31.70
May	35.36	35.36	32.25	31.65	30.25	28.50	39.00	33.52
June	36.96	34.80	30.40	30.00	30.40	29.75	38.85	37.47
July	36.39	35.52	32.70	33.40	30.40	29.92	42.75	42.10
August	36.00	33.60	34.50	33.00	31.04	29.92	Price Control Order, 1964 fixing the maximum retail price at Rs. 1.95 per kg. Came into force with effect from 31.7.1964 and remained up to 2.10.1964.	
September	33.60	31.52	32.50	29.76	32.20	31.04		
October	31.20	29.28	34.10	29.76	31.04	30.73	46.72	42.50
November	31.52	28.80	33.00	28.75	29.44	27.84	38.40	35.00
December	30.40	29.76	27.36	26.24	29.60	28.16	43.00	38.50

SOURCE : As per the returns received from the District Statistical Officers.

APPENDIX IV

STATEMENT SHOWING THE PRICE OF GROUNDNUT OIL (RATE FOR 16 KGS.)

(SOURCE : *Economic Times*)

Date	Rajkot
	Rs. P.
31.5.1964	37.20
2.6.1964	37.76
5.6.1964	37.76
7.6.1964	37.33
10.6.1964	37.44
14.6.1964	37.65
17.6.1964	38.77
20.6.1964	39.62
24.6.1964	39.72
28.6.1964	40.91
30.6.1964	41.28
3.7.1964	43.50
5.7.1964	42.14
7.7.1964	41.71
9.7.1964	40.96
10.7.1964	40.85
11.7.1964	40.59
12.7.1964	41.17
14.7.1964	42.00
15.7.1964	43.09
16.7.1964	43.20
17.7.1964	42.83
18.7.1964	42.83
19.7.1964	42.83
21.7.1964	42.94
22.7.1964	43.14
23.7.1964	44.48
24.7.1964	37.60
25.7.1964	36.00
26.7.1964	36.00
28.7.1964	36.37
29.7.1964	36.00

NOTE :- Retail price after including sales tax and retailer's margin will be Rs. 2 to Rs. 2.50 more per tin. Further prices in Ahmedabad and South Gujarat will be more by Re: 1 to Rs. 2 per tin than in Rajkot which is in the producing area.

Provident Fund Scheme for Aided School Teachers in Kerala

R. GOPALASWAMY

The Kerala Government passed the Kerala Education Act in 1958 which gave security of service and service benefits to the teachers of aided schools. Under this Act, rules were framed which laid down that Contributory Provident Fund Scheme shall be implemented for the aided school teachers with effect from 1st July, 1961. However, the detailed rules for implementing the scheme were issued only in March 1963. This was followed up by circular instructions by the Director of Public Instruction in 1964. However, the scheme was not implemented properly because of inexperience and inadequate appreciation of the magnitude involved and absence of prior preparations.

Contributory Provident Fund Scheme of some sorts were in existence in the Madras, Cochin and Travancore areas of Kerala. These differed from one another and were administered in a loose way. The new scheme embraced all these areas and was intended to supersede the then existing schemes. It was, however, rather hastily and loosely put together more with a view to making the programme of conferring service benefits to the teachers complete and thus there was failure in implementation.

In the meantime, due to further agitation from the teachers of aided schools, Government granted them parity with Government school teachers in regard to pay scales and service conditions in February 1965 and, as a consequence, Government committed themselves to introducing the General Provident Fund Scheme to those who opted for parity with Government school teachers. The teachers of aided schools had been off and on drawing the attention of Government to the failure to implement the Provident Fund Scheme. The Department under pressure examined the matter and realised that the whole matter was complicated and required detailed careful examination. On the suggestion of the Department, almost a year after (25-1-1966), the Government constituted a committee to examine the actual working of the

Provident Fund Scheme in the various institutions with a view to evolving an organisation and a system of accounting which will enable prompt and efficient operation of the scheme without any further delay. The committee submitted its report on 2nd August 1966. The Report was examined in the Education Department and was under discussion between Education and Finance Departments. No tangible results had been achieved even though the Contributory Provident Fund Scheme was ordered to be implemented with effect from 1st July, 1961 and the General Provident Fund Scheme to be in operation as soon as parity was granted to the teachers in 1965.

The delay now seemed to be due to the realisation of the magnitude of work involved and the hesitancy to get involved in it. It must be noted that the number of accounts to be maintained by the department would be almost the same as the number maintained by the Accountant General for Government staff. This looked stupendous enough, and there was no keenness in implementing the scheme.

It was at this stage that the delay in finalising and implementing the scheme and the consequent loss to the State's finances by way of deposits in the Public Account came to the notice of the Finance Department while examining the proposals for the budget for the year 1967-68. Immediately, the matter assumed importance and the Finance Department sent a note to the Education Department on the subject. During the discussions with Finance Officers the significance of the scheme in terms of accruals to the finances of the State by way of deposits was explained and the need for vigorous action on the scheme from Finance Department was underlined. Once the impact of such a scheme on the State's finances was realised by the Finance Department, it immediately took up the responsibility in prodding the matter with the Education Department into action. As far as the Education Department was concerned, they were themselves keen to implement scheme which had been promised to the teachers long time ago without further delay; but had been hesitant because of the magnitude of the scheme, wondering how the Finance Department would react to a proposal of staff on a large scale. Now, these doubts were set at rest and there came to be a proper coordination of the examination of the scheme in all its details in the various departments leading to the implementation of the scheme.

from 1st April, 1967. A dull and dry subject like drafting of rules which had been under discussion for long without understanding the importance of the scheme on the State's finances, and also as a measure of benefit to the teachers came to be discussed and settled with cooperation from all sides as expeditiously as possible. Injecting a proper motivation into the scheme and giving of proper direction had helped in solving a long standing problem.

II

EVENTS AS THEY TOOK PLACE

The case was processed with all speed from December 1966 to May 1967. On 20th December 1966, Finance Secretary sent a note to the Education Secretary (a copy marked to his own department) requesting that the scheme might be implemented at least from 1st April, 1967 and that necessary proposals from the Director of Public Instruction in this regard be expedited. He also discussed the matter with the officers of his department, and came to know that the concerned file had been pending in the Finance Department to resolve various issues.

Since there were many problems connected with the proposals submitted by the Director of Public Instruction, a conference was immediately arranged by the Finance Department inviting the Director of Public Instruction, the Joint Secretary (Education) and other officers. A note was also prepared on 23rd December, 1966 for discussion.

The discussion took place on 27th December, 1966. It was realised that neither the Education Department nor the Finance Department had any experience of administering a Provident Fund scheme on a large scale. The only agency which could provide the expertise and knowledge was the Audit Department. The first step, therefore, was taken to approach the Accountant General to depute an officer for implementing the Provident Fund Scheme in the Education Department. The various other points were to be further examined so that the Special Officer deputed from the Accountant General's office could immediately finalise the scheme and go ahead with its implementation.

As it was essential to have an experienced officer from the Accountant General's office who was aware of the details of

implementing the Provident Fund Scheme, matters were discussed on personal level among the Finance Secretary, the Education Secretary and the Accountant General, and orders were issued to obtain the services of an experienced officer from the Accountant General's office. On 16th January, 1967, formal orders were issued taking an officer on deputation. The officer joined duty on 19th January, 1967.

The officer met the Education Secretary and the Finance Secretary and other officers concerned and took instructions. The further meeting of the officers was postponed from the 21st January to 25th January 1967 to give some time to the Special Officer to go through the drafts already prepared and offer his comments.

The officers met on 25th January, 1967 and the draft rules with the comments of the Special Officer were discussed. The note prepared by the Finance Department with the comments of the Special Officer was the basis for the discussion. The Superintendent of the Finance Department, who was an experienced officer, prepared the minutes the same day and issued them the same day.

It was necessary to study the problem in the field. The set-up of the Education Department, the pattern of various offices, the delegation of powers, the channel of correspondence and other details had to be appreciated to enable the Special Officer to draw up a scheme capable of implementation. The Special Officer was to visit local offices and have discussions. On 31st January, 1967, the Director of Public Instruction issued a circular to all the officers requesting special attention to be paid to any correspondence from the Special Officer superscribing such correspondence at the right hand corner as "Aided School Teachers Provident Fund Scheme — Top Priority".

After further discussions, the Special Officer sent through the Director of Public Instruction the draft rules to be finally discussed and settled. The Director of Treasuries and the Accountant General were also requested to attend the meeting.

On 24th February, 1967, the officers met again along with the Director of Treasuries and the Accountant General. The various details were discussed and decisions taken. It was decided to have the final copy of the rules by 15th March, 1967. The minutes of the meeting were prepared with the assistance of the Finance

Department immediately and issued on 28th February, 1967.

On 8th March 1967, the Special Officer wrote to the Finance Secretary enclosing a copy of the finalised draft rules explaining the variations, wherever necessary. The draft rules were examined by the Finance Department immediately and the matter was discussed on 17th March, 1967 by the Finance Department, the Education Department and the Special Officer. The draft rules were sent to the Accountant General for comments on 21st March, 1967.

In order to speed up matters another discussion was arranged and on 30th March, 1967 a note for the discussion was also sent to the Accountant General.

In the meantime, the Special Officer had also met the Controller of Accounts in the Accountant General's office and had discussions on the draft rules already sent by him and, the proposals for the accounting of the Provident Fund subscriptions and maintenance of Provident Fund accounts separately by the Education Department. They also resolved, in a discussion with the representative of the Director of Treasuries, the procedure to be adopted for this purpose.

On 5th April, 1967, a further discussion took place with the representative of the Accountant General and the rules were finalised.

In the meantime, in order to avoid delay Finance Department had sent a copy of the draft rules to the Law Department on 23rd March, 1967 and the draft rules vetted by the Law Department were received back on 4th April, 1967. The Finance Department immediately prepared a summarised note and transferred the file to the Education Department with a request to have the draft rules sent for printing immediately so that any minor changes that might be suggested by the Accountant General could be incorporated in the proof copy and final printing thus expedited. On 20th April, 1967, the Accountant General returned the rules with his remarks and they were also sent to the Education Department. On 20th May, 1967, the Education Department obtained the final remarks of the Law Department and the matter was approved by Government on 27th May, 1967.

Thus, by an all out effort on the part of the Finance, Education and the Law Departments of the Secretariat, the Director of Public Instruction, the Special Officer, the Director of Treasuries,

and the Accountant-General, the scheme for implementation of the General Provident Fund Scheme for the aided school teachers which had been under discussion for over two years was implemented.

Simultaneously with the formulation of the draft rules, other aspects regarding enforcement also were under discussion. Since more than 80,000 teachers were to be covered by the scheme, a Central agency was proposed for dealing with the scheme. This had been under examination for quite long in Government and, immediately after a decision has taken to expedite the implementation of the scheme, the post of the Special Officer was agreed to as a first step and necessary staff for implementing the scheme was also agreed to as soon as the draft rules were finalised. On 11th April, 1967, the further proposals of the Special Officer for staff were also approved.

Since the scheme came into operation from 1st April, 1967 and since it took time to know the actual powers to be delegated to the Special Officer, the matter was examined further and on 30th September, 1967, delegation of powers to the Special Officer to smoothen and expedite the working of the scheme was also sanctioned.

III

CONCLUSION

Drafting of rules affecting the welfare of nearly a lakh of teachers was important by itself and the necessary catalytic agent came into being only after realising the significance of such a scheme on the State's finances. The moment this was understood by all concerned, there was good cooperation and eagerness to get over the difficulties by personal contact and discussions to arrive at a reasonable solution. The Finance Department changed its attitude and became directly involved in promoting the scheme. The appointment of a right type of an officer well versed with the implementation of the Provident Fund Scheme was also a significant step taken in the right direction. The association of representatives from the different departments, who would be involved in scrutinising the proposals at one stage or the other, in the discussions held at various stages had contributed to cutting the

red tape and improving relations between the several agencies. The Special Officer also played a key role in contacting the different agencies at personal level and bringing to the notice of the Education and Finance Departments by personal contact any problems that had to be solved.

There are certain cases of this kind in administration which can not but be dealt with at the highest level and with speed. Personal contacts and discussions, giving the right direction and motivation, and a steadfast pursuit of the objective alone will solve such complicated problems.

Harassment to A Citizen By A Civic (?) Service (?) Department

RAM K. VEPA

This Case Study narrates a small incident which illustrates the attitudes typical of the "bureaucracy" of service departments and problems ordinary citizens of metropolitan areas have to face frequently. It is felt that a wider awareness of such cases might help to focus attention on this problem and assist in formulating measures to reduce such harassment to the public.

In mid-January, a senior civil servant (let us call him V) moved into a requisitioned flat allotted to him by the Estate Office; and since the water and light connections were functioning, he did not feel it necessary to make further enquiries nor did the Estate Office inform him about any arrears due from the house. About two weeks after he had moved into the house, an employee of the Water Department came to the house one evening and told his wife that the water connection would have to be cut. When asked why, he said that there were some arrears due from the house and hence he had orders to cut off the connection (since the house was vacant for more than 6 weeks prior to Mr. V's occupation, it was strange why it was not cut earlier). Rather taken aback by this sudden demand, Mrs. V suggested that the pending bills might be given to her and that they would check with the Estate Office and expedite their payment, if possible. The employee from the Water Department (call him S) said he knew nothing about it except that he had orders to disconnect the water main. An official of the Enquiry Office of the C.P.W.D. was also present at that time at the house and he also suggested to S that some time might be given to enable the matter to be checked by the new tenant who was allotted the house only recently by the Estate Office. Reluctantly, S agreed to wait for 24 hours before he went ahead with the disconnection.

Mrs. V. immediately rang up the office and told her husband what had happened. He at once got in touch with the concerned official in the Estate Office who said he would check whether there

were any previous references in the matter. Mr. V also spoke to an official of the PR department of the Municipal Corporation next morning who suggested that he write a letter in the matter and that, meanwhile, he would speak to the concerned official not to take any precipitate action. Mr. V, therefore, felt confident that before any drastic action was taken, the Corporation would let him know but, to make doubly sure, he sent off a letter with a copy to the Estate Office.

Promptly at 5 P.M., 24 hours after the first incident had taken place, S arrived with five other persons and entered the house on the plea that he would check the meter. Soon after, he violently broke the connection without any further reference. The lady living downstairs was good enough to come up and inform Mrs. V what was happening. Looking out of the window, Mrs. V saw six persons breaking the water connection and S, who saw her, remarked with a malicious glee that the connection was now removed.

On receiving this information, Mr. V rang up the Estate Office but could get no definite help. He then telephoned the Water Department of the Corporation but was told that all the officials had left and that nothing could be done now; feeling rather frustrated and helpless, Mr. V rushed home to ascertain what exactly had happened and found that some one had left a bill for Rs. 125 as the arrears due on the house for which time was given up to another 12 days. This was in fact the first intimation that a specific sum was pending payment and since this related to a period much earlier than the occupation of the house, Mr. V felt considerably aggrieved. However, he realised that nothing could be done till next morning; and the official of the Estate Office whom he contacted could do little except to promise to look into the matter the next day.

Completely cut off, without a drop of water, Mr. V and family spent a "dry" morning supplemented by a few buckets of water carried from downstairs. On further enquiry, Mr. V could locate his predecessor who had occupied the house and who told him that during his 18 months of stay in the house he had not paid a single pie under the impression that water charges were not due to be paid by him. Mr. V also contacted the Assistant Commissioner of the Corporation-in-charge of the area, who told him breezily that he did not entertain any request at the house outside official hours and "that he had no telephonic link with any

fitter to restore the connection immediately"—which made Mr. V even more upset at the callous attitude of the department. The official, however, suggested that Mr. V might either see him or phone him at about noon by which time he would look into the file.

Meanwhile, Mr. V's Assistant went to the Corporation Office to ascertain the details of the payment due. Mr. V also obtained an assurance from his predecessor that if the bill related to a period when he was occupying the house, he would make the payment. Considerably heartened by this assurance, Mr. V calculated the specific amount due from his predecessor, who promptly sent it through a messenger. There was, however, the question of payment for about six weeks for which a flat, charge of Rs. 17 per month was being levied by the Corporation. Mr. V felt that he should not be called upon to make this payment as it was for a period prior to his occupation and wanted the Estate Office to make this payment; the latter, while conceding the merit of this attitude, were only concerned whether there would be any audit objection to such payment. Mr. V was advised, therefore, to make the payment initially in view of the emergent need for restoring the water connection and then claim a reimbursement which would be considered "sympathetically". In view of the urgent need for water Mr. V agreed and by 1 P.M. the next day, he sent to the Corporation the entire amount claimed including the reconnection charges. He rang up the Corporation Office and requested the official to restore the connection. The official promised to send a man at once to do so.

Mr. V left the office a little earlier and came back to the house at about 4 P.M. feeling that the water connection might have been restored. He was upset, however, to find that no one had turned up and when he tried to contact some official at the Corporation Office he was told that no one was available. He went to do some urgent shopping at about 5.30 P.M. but left with his daughter some money to cover any small repairs that might be required to restore the connection. During his absence S, the fitter who had broken the connection in the previous day, came and told Mr. V's daughter, in a rude manner, that some repairs were to be done and he would come tomorrow if these were completed to restore the connection. He did not specify what these repairs were or who was to do it nor did he seem worried by the

fact that the repair itself was occasioned by the violent manner in which he himself had made the disconnection. When Mr. V was told of what had happened in his absence, he felt angry faced with the prospect of another "waterless" morning.

Next morning, Mr. V rang up the Executive Engineer of the CPWD to help him to get the repairs done and although the Engineer felt that this was really to be attended to by the Water Department, he agreed to send some one to do the job. A person from the CPWD came at about 11 A.M. and did the repair work. After waiting for about an hour for the fitter of the Water Department to come, the CPWD personnel went away. At about 1.15 P.M. S again arrived and without even bothering to look at the repair done, pronounced the 'verdict' that it was not satisfactory and should be done again; saying this he left without volunteering to help. Thus although 24 hours had elapsed since the payment was made, the connection was not restored on some plea or the other.

Considerably angered by this attitude, Mr. V rang up the Water Department and requested that steps be taken to restore connection immediately. The CPWD was requested to depute the the persons again so that any changes could be made as desired by S. An official of the Water Department arrived at about 2.30 P.M. but there was no trace of the fitter (S) who had gone away. Meanwhile, the CPWD staff had returned, and were waiting for the arrival of the fitter. At about 3.30 P.M. when again the Water Department was contacted, Mr. V was told that S had gone back to the office saying that he was not being allowed to restore the connection and that he was being insulted and abused in the house! Mr. V was taken aback at this accusation particularly since he had been frantically trying to locate S all the time for restoring the connection. Mr. V realised that S was perhaps expecting to be paid some amount—as is perhaps the usual practice—and since he had not given the 'mamul', he was putting pressure and causing harassment. Finally at 4 P.M., another fitter was sent by the Water Department who restored the connection temporarily by about 6 P.M. after much persuasion. Thus it was almost 50 hours before the connection was restored although the payment itself was made in about 20 hours from the time of disconnection.

This Case Study throws up a number of points which need

consideration : (i) If the arrears were due from a person why did the Corporation have to wait till a new tenant had come to make the disconnection; (ii) Was the new tenant liable either legally or morally for the arrears due from another individual; (iii) Since the flat was a requisitioned one, was not the Estate Office, which in fact was the 'tenant' (who had taken it on lease) informed about the arrears and the action proposed to be taken; (iv) Since the offices in which Government officials work also give a guarantee for payment, why was not collection done through the office; (v) Should so much power be endowed in a minor functionary like the fitter which only leads to avenues of illegal gratification; (vi) Should not service department be more responsive to public needs and respond to urgent requests round the clock rather than operate on a strictly 10 A.M.—5 P.M. basis—which in practice is reduced to 11 A.M.—4 P.M.; (vii) Finally, how can the ordinary citizen be protected in future against such harassment caused by the greed of low-paid employees and the callous attitude of those above them.

POST SCRIPT

(i) When a complaint was made to the Municipal Corporation against the behaviour of S, Mr. V was asked to appear in person to substantiate the charges since S had denied them. Mr. V felt that he was being put in the dock, and said that it was for the Corporation to take action after due enquiries; sometime later a communication was received that S had been transferred from the particular area.

(ii) The Estate Office, after considerable time, replied that they could not reimburse the excess amount paid by Mr. V for the period it was vacant but graciously wrote to the 'civic agency' not to collect the charges—which was ignored by the latter.

